





## Airline Liability: A Call for Change in 1929 Pact

Neelie Smid-Kroes, the minister of transportation of the Netherlands, has begun a campaign for revision of the 1929 Warsaw Convention, which sets liability terms for international air transport. The convention was amended by the Hague Protocol in 1955, and the United States and some other countries belong to the 1966 Montreal Agreement, which sets higher liability limits. Mrs. Smid-Kroes talked with Barry James of the International Herald Tribune.

controversy about aging airplanes had anything to do with your interest in the liability question?

A. Not directly, but these occasions underline the fact that, sadly, accidents happen, which again underlines the importance of an adequate passenger compensation system.

Q. Under existing legislation, there are several different liability limits. Do you

### MONDAY Q&A

think passengers are usually aware of this?

A. I wonder how many passengers are aware that there even are limits on the amount they or their dependents can claim from an airline if they are injured or killed.

Q. There have been previous attempts to reform the Warsaw Convention. How does your approach differ?

A. I have asked the International Foundation for Airline Passengers Associations and the University of Leiden to prepare a report from the perspective of the passengers. Usually it has been left to specialist lawyers and academics to debate the issues, while the airline industry

and governments agonize over the repercussions from any suggested changes. I think it is time to put the traveling public's interests up front.

Q. What do you expect to come out of the report?

A. There are several main areas of concern I would like to see it address, for example, the information to passengers which is inserted inside airline tickets. This is supposed to be informative about liability limits. In reality, it is incomprehensible, except to lawyers.

Information technology has improved dramatically recently and this should be used to inform airline passengers in clear and comprehensible language of any limits to liability. I expect to see particular attention paid to the possibilities that the new supercomputer reservation systems can give to improving passenger information on this subject.

Q. Why have you, as a Dutch minister, become involved in this subject?

A. Because I strongly advocate a more liberal and market-oriented approach to aviation policy, both within the European Community and outside Europe. Together with such a development, an efficient and just international passenger compensation system is of equal importance.

Q. Why should there be any limits at all to the recovery of damages? Shouldn't people be left free to sue for the highest amount they can get?

A. That is undoubtedly the most fiercely debated issue and the single greatest impediment to any agreement for change. From a consumer's point of view, the airline industry should not be singled out for special consideration and virtual immunity from the process of litigation. The reality is, however, that there is a great deal of resistance and opposition to any major changes in this area. I want the industry to consider my report and its recommendations seriously. I will be encouraging evolution, not revolution.

Q. What will you do with the report?

A. I hope to present it in September to the general assembly of the International Civil Aviation Organization in Montreal and to discuss proposals for further international initiatives.

Q. There is a specific kind of problem concerning people who take domestic flights abroad foreign airlines, where compensation can be ridiculously low. Will you be looking into that problem?

A. Yes.

## Leaders' Dilemma: What Risks Are Worth Taking?

By E.J. Dionne Jr.

New York Times Service

WASHINGTON — For the past week, governments around the world have been grappling with one of the most basic and complicated questions that human beings face: What risks are worth taking?

The question returned on issues as diverse as apples and airplanes, grapes and terrorism. In each case, governments were being asked to balance risks to public health and risks to public order, the risks of openness and the risks of secrecy.

Should the public be warned about threats in advance, even if this might completely disrupt air travel or sales in an industry? Should a product be banned because it contains substances that are linked to cancer? How much of the substance is too much?

These questions are decided not as abstract theoretical matters but as political questions in which power and economic interests can matter as much as science and calculation. As events of last week suggested.

Perhaps the most diplomatically thorny issue was the case of Chilean fruit. Earlier this month, the U.S. Embassy in Santiago was warned that Chilean fruit had been injured with cyanide. After two poisoned grapes were discovered in Philadelphia, the federal govern-

ment banned the import of Chilean fruit.

By Friday, when no more poisoned fruit had been discovered, and after angry protests in Chile, whose economy was threatened by the ban, the United States lifted most restrictions.

For Ralph Nader, the consumer advocate who did more than al-

### NEWS ANALYSIS

most anyone in U.S. public life in the past two decades to bring risk and safety issues to the fore, the Chilean case raised a fundamental issue in the politics of risk assessment: that the group bearing the risk is often different from the group paying to avert it.

"It was an easy one to go after because it didn't involve the American grape industry," Mr. Nader said. "If it had been the domestic grape industry, would they have done the same thing?"

Mr. Nader noted that the immediate risk of contaminated grapes was far more tangible than the peril from, say, toxic substances that, if ingested over time, could cause cancer in 20 or 30 years. This, he said, pushed Dr. Frank E. Young, the U.S. commissioner of food and drugs, to act quickly to ban sales of all Chilean fruit.

Dr. Young made a different judgment about the risks stemming

from the use of the chemical dieldrin, marketed as Alar, to preserve apples.

The Natural Resources Defense Council, an environmental group, set off deep concerns about eating apples when it said that children might have been exposed to dangerous levels of carcinogenic chemicals that were a residue of Alar.

But Dr. Young challenged that view and cited recent studies showing that carcinogen levels in apples were well below the levels that the Environmental Protection Agency considered unsafe.

Clayton K. Yeutter, the secretary of agriculture, said the health risk from apples was "minuscule" and added: "If you want to avoid food that has any potential health risk, you're going to have a very narrow diet. You'll be down to 75 pounds real fast."

The environmental agency has begun procedures to take Alar off the market because of preliminary laboratory findings that the chemical posed a risk of cancer to humans, but it said that it was not immediately banning use of Alar because there was no proof that it constituted an imminent hazard.

It was not clear whether economic concerns played any role in the decision, but the apple industry was clearly hurting. Senator Steven D. Symms, an Idaho Republican,

described the apple market as "dead as a doornail right now across America."

While all this was happening in the United States, the British government came under attack for withholding from the public a warning sent in November to airlines and airports about terrorist bombs in radio cassette players — precisely the kind of bomb that investigators say brought down Pan Am Flight 103 in Scotland in December.

The U.S. government received similar criticism earlier when it was learned that some U.S. Embassy officials and military personnel were warned about the danger but that ordinary passengers were not.

After the revelations, Senator Alfonse M. D'Amato, Republican of New York, introduced a bill requiring public disclosure of "serious security threats" to airlines.

But Brian Jenkins, an expert on terrorism and a senior researcher at the Rand Corp., a research organization, said the problem with such a proposal was that it was difficult to determine which terrorist threats were credible and which were not. Because of this, he said, he opposed routine warnings to the public.

"To make them public routinely," he said, "would encourage the pranksters, the lunatics and the extremists to make more threats. It would either seriously disrupt air

travel, or it would result in so many warnings that the warnings themselves would become meaningless."

The consumer and environmental movements, which took hold in the 1960s and 1970s, encouraged Americans to question whether the products they bought were safe and whether their health was being endangered by the environmental practices of business.

Critics argue that the environmental and consumer movements have encouraged Americans to search for the impossible: a risk-free society.

Aaron Wildavsky, a professor of political science at the University of California at Berkeley and the author of "Searching for Safety," contended that since all innovation required risk, a search for absolute safety would inevitably impede both economic and scientific progress. Mr. Wildavsky said the environmentalists and consumer activists were playing on public fears.

"There's always the imputation that a terrible truth is being kept from you," he said.

But Mr. Nader countered that the risks associated with cancer-causing substances and nuclear radiation were frightening precisely because they were unseen and because the normal human defense mechanisms could not be counted on for protection.

Mr. Wildavsky and Mr. Nader did agree that society routinely tolerated well-known risks like the dangers of driving a car or smoking a cigarette even as it resisted the introduction of new ones.

James V. Aids, a specialist on environmental policy at the Congressional Research Service, said the debate on the risks of pesticides and other chemicals was often difficult for the nonscientist to follow, since all sides in the debate dealt with statistical probabilities.

Yet, statistical probabilities are at the heart of how the government assesses which risks are acceptable and which are not.

A given substance, Mr. Aids said, might be described as having a "one in 100,000,000 chance" of increasing the risk of cancer, which would not be a cause for alarm, while another might be described as having a "one in 10,000 chance" of doing so, "a range where we really start to yell and scream," he said.

## REPORT: Air Warnings Faulted

(Continued from page 1)

for the Liberation of Palestine General Command.

The bulletin described a bomb found in a radio cassette player, with a barometric-pressure detector designed to explode the device at a preset altitude.

According to the subcommittee, that bulletin mistakenly advised that the Palestinian group had "not been known to undertake terrorist attacks in Europe."

A recent Defense Department study said members of the Palestinian group had fired a machine gun at an airplane in Zurich, had carried out the hijacking of two other airlines bound for European cities and had warned in 1986 that "there will be no safety for any traveler" on a U.S. airline.

The Federal Aviation Administration bulletin said its information about the bomb was based on "preliminary analyses by West German authorities."

The subcommittee said: "It is difficult to understand why explosive experts needed more than three weeks to complete an urgently needed analysis of this device. Either the West Germans lacked the required technical skills (which is unlikely) or West German-FAA communications had serious flaws."

Pan Am's response to this and two other security bulletins prompted by the West German air-warnings limited passengers' carry-on baggage containing electronic devices.

Pan Am said last week that a written warning from the government about a possible bomb, sent two days before the crash, was held up in the Christmas mail and did not arrive until Jan. 17.

Pan Am also received a warning from the West German government on Nov. 10 that a bomb in a radio-cassette device might be put on a plane. But the warning was not made public.

Mr. Channon said he cannot disclose certain things about the crash for security reasons.

## Socialists Gain Widely In French Local Vote

By Steven Greenhouse

New York Times Service

PARIS — The governing Socialist Party made strong gains in the final round of French municipal elections Sunday, winning control of several major cities from the conservative opposition.

After capturing city halls in Strasbourg, Dunkirk, Mulhouse, Avignon and Orleans, Socialist officials hailed their victories as a confirmation of their policies aimed at wooing centrist voters, while conservative leaders attributed the Socialists' gains to divisions on the right.

The voters continued their drift away from the Communist Party, while the Ecologists, the French environmental party, again made a surprisingly strong showing.

In several cities, candidates of the far-right National Front frantically sought to win 78 cities of more than 30,000, up from 66 in the last round of municipal elections six years ago. The conservative Rally for the Republic Party and the center-right Union for French Democracy were expected to win 84 cities, compared with 88 in 1983.

The Communist Party was projected to win 48 city halls, down from 53 in 1983. Its most stunning loss came in Amiens, one of the largest cities in northern France, where the Communist incumbent had been in power for 18 years.

In the municipal elections of 1983, when the Socialists were in power, the conservative made major gains, and in 1977, with the right in power, it was the Socialists who won big in the local elections.

Since President Francois Mitterrand won re-election in May, the conservative opposition has been feuding. Some centrists have allied themselves with President Mitterrand as he pursues a policy of an opening to the center, while many conservatives maintain steadfast opposition to the Socialist government.

The voting Sunday produced a new star on the French right. Michel Noir, former minister of trade in the conservative government of Prime Minister Jacques Chirac, was overwhelmingly elected mayor of Lyon, France's third largest city. Meanwhile, Mr. Chirac, as expected, won re-election as mayor of Paris.

Political analysts said the environmentalists did not score quite as impressively as in the first round of municipal elections on March 12, when it won 15 percent of the vote in several major cities.

Analysts said the most lasting development of the elections may be the environmentalists' emergence as a powerful force in French politics.

Nationalist parties in Corsica did well, as strikes by public employees have paralyzed the island. The strike by 25 percent of the island's work force has prevented airplanes and ships from arriving or leaving.

## WORLD BRIEFS

### China Assails U.S. Senate on Tibet

BEIJING (Reuters) — China on Sunday assailed a U.S. Senate resolution that condemned recent violence in Tibet and that urged an end to human rights violations against Tibetans.

The statement closely followed China's condemnation of a European Parliament motion on Tibet, reflecting Beijing's sensitivity to criticism of its policy in the Himalayan region, which has seen repeated anti-Chinese riots in recent years.

Chinese radio quoted a government statement calling last week's Senate resolution unacceptable interference in Chinese internal affairs. Similar to one issued on Saturday regarding a European Parliament resolution, the statement said the recent imposition of martial law in Tibet had been necessary to protect life and property.

### 2 Conservatives Are Elected in Japan

TOKYO (Reuters) — Conservatives won two local elections on Sunday, giving the governing Liberal Democratic Party some breathing space after weeks of damaging revelations over a stock scandal.

A Liberal Democrat was narrowly re-elected governor of Chiba prefecture, east of Tokyo, and an independent conservative won the governorship of Miyagi prefecture, north of the capital.

Surfacing last July, the scandal surrounding the Recruit Companies Co. has forced three ministers out of the cabinet and led to the arrests of 12 persons. The company is charged with having bribed public figures to ease its expansion into telecommunications in the mid-1980s.

### Romania Dismisses 4 Senior Officials

VIENNA (Reuters) — Four senior Romanian officials have been dismissed, according to Radio Romania.

Saturday's report, monitored here, said that Finance Minister George Paraschiv, Deputy Prime Minister Nicolai Ionescu, Florea Dumitrescu, the governor of the national bank, and Nicolae Eremia, head of the Bank of Agriculture, were fired for "unsatisfactory activity" in managing national finances.

The broadcast said the men had "seriously violated legal provisions in granting credits and eliminating losses in the activity of some economic units." The Romanian news agency confirmed the firings but gave no reasons.

### Greek-Cypriot Protesters Arrested

LYMBIA, Cyprus (Reuters) — About 3,000 Greek-Cypriot women stormed past troops into northern Cyprus at two points on the Green Line on Sunday to protest the division of the island. More than 50 were arrested by Turkish-Cypriot authorities at the two points, witnesses and a United Nations spokesman said.

About 2,000 women swarmed across the UN buffer zone at Lymbia after evening United Nations peacekeeping troops in helicopters. At Akkita, east of Lymbia, 1,000 women crossed the Green Line and 22 were arrested.

The UN spokesman said Turkish-Cypriot authorities had agreed to return the arrested women. The women who were not arrested, accompanied by supporters from the United States, Europe and Australia, remained in the breakaway Turkish Republic of Cyprus for several hours before returning to the south.

### For the Record

The White House has announced four ambassadorial nominations. They are:

• Joseph Zappala, one of President George Bush's political fund-raisers, as ambassador to Spain.

• Terrence Todman, the U.S. ambassador to Denmark from 1983 to 1988, as ambassador to Argentina.

• Giffen Weinmann, a fund-raiser for Mr. Bush in the 1988 presidential campaign, as ambassador to Finland.

• Frederick Bush, the president's top political fund-raiser for the past decade, as ambassador to Luxembourg. Frederick Bush is not related to President Bush.

President George Bush met with cabinet members Saturday to consider entering into an agreement with Japan to produce a new version of the F-16 jet fighter, the FSX. A decision is expected this week. (AP)

## TRAVEL UPDATE

### Test Shows Hormone Eases Jet Lag

LONDON (Reuters) — Jet lag can be alleviated by an extra dose of a natural hormone, melatonin, found in the brain, according to three New Zealand doctors writing in the British Medical Journal. The hormone was given to volunteers who flew across 12 time zones from New Zealand to London and then returned three weeks later.

"Melatonin can alleviate jet lag and tiredness after long-haul flights," the doctors said. "Subjects taking melatonin reported less jet lag and took less time to recover." The report said no adverse side effects were found. A record 8.43 million Japanese traveled overseas last year, more than 80 percent of them as tourists, largely because of the strong yen. A government survey said Sunday that the figure represented a 23-percent increase over 1987. (AFP)

### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Colombia, Lesotho, New Zealand, Tunisia, Uruguay.

TUESDAY: Afghanistan, Iran, Israel, Japan, Mexico, Nepal, Sri Lanka, Syria, Tunisia, Uruguay.

WEDNESDAY: El Salvador, Guatemala, India, Mexico, Norway, Puerto Rico, Uruguay.

THURSDAY: Andorra, Argentina, Brazil, Colombia, Costa Rica, Denmark, Ecuador, El Salvador, Finland, Guatemala, Honduras, Iceland, Mexico, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Portugal, Spain, Uruguay, Vatican City, Venezuela.

FRIDAY: Andorra, Argentina, Australia, Bahamas, Barbados, Belize, Bermuda, Bolivia, Botswana, Brazil, Brunei, Cameroon, Canada, Chile, Colombia, Costa Rica, Denmark, Dominican Republic, Ecuador, El Salvador, East Germany, Fiji, Finland, Ghana, Gibraltar, Grenada, Guam, Guatemala, Guyana, Haiti, Honduras, Hong Kong, Iceland, Indonesia, Ireland, Ivory Coast, Jamaica, Kenya, Lebanon, Lesotho, Liechtenstein, Macao, Madagascar, Malawi, Malta, Mexico, Monaco, Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Portugal, Puerto Rico, Seychelles, Sierra Leone, Singapore, South Africa, Spain, Sri Lanka, Suriname, Swaziland, Sweden, Switzerland, Tanzania, Togo, Uganda, Uruguay, Vatican City, Venezuela, West Germany, Zambia, Zimbabwe.

SATURDAY: Belize, Botswana, Brazil, Chile, Cyprus, Fiji, France, Greece, Hong Kong, Macao, Malawi, Mexico, Papua New Guinea, San Marino, Seychelles, Spain, Uganda, Vatican City, Zambia, Zimbabwe.

SUNDAY: Bangladesh, Belgium, Lebanon, Macao, Syria.

Source: Morgan Guaranty Trust Co., Reuters.

## WEATHER

EUROPE				ASIA			
	HIGH	LOW			HIGH	LOW	
Amsterdam	12	5	C	F	Bangkok	33	24
Antwerp	12	5	C	F	Beijing	10	4
Athens	14	6	C	F	Hong Kong	26	18
Berlin	13	6	C	F	Manila	27	19
Birmingham	13	6	C	F	New Delhi	27	19
Bombay	13	6	C	F	Seoul	16	8
Boston	10	3	C	F	Singapore	31	23
Buenos Aires	12	4	C	F	Taipei	11	3
Calcutta	12	4	C	F	Tokyo	20	12
Cairo	17	10	C	F			
Canton	12	4	C	F			
Chengdu	12	4	C	F			
Chicago	12	4	C	F			
Cincinnati	12	4	C	F			
Cleveland	12	4	C	F			
Columbus	12	4	C	F			
Dallas	12	4	C	F			
Denver	12	4	C	F			
Detroit	12	4	C	F			
El Paso	12	4	C	F			
Hankow	12	4	C	F			
Hong Kong	12	4	C	F			
Kobe	12	4	C	F			
London	12	4	C	F			
Los Angeles	12	4	C	F			
Lyons	12	4	C	F			
Madrid	12	4	C	F			
Moscow	12	4	C	F			
Munich	12	4	C	F			
Nice	12	4	C	F			
Oakland	12	4	C	F			
Orleans	12	4	C	F			
Paris	12	4	C	F			
Philadelphia	12	4	C	F			
Peking	12	4	C	F			
Portland	12	4	C	F			
Rangoon	12	4	C	F			
San Francisco	12	4	C	F			
Shanghai	12	4	C	F			
Singapore	12	4	C	F			
Sourabaya	12	4	C	F			
Taipei	12	4	C	F			
Tientsin	12	4	C	F			
Yokohama	12	4	C	F			

MONDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Fair. T. 10-13. (S-27). LONDON: Showers. T. 10-14. (S-27). MADRID: Cloudy. T. 10-13. (S-27). MILAN: Rain. T. 10-14. (S-27). NEW YORK: Partly Cloudy. T. 10-13. (S-27). PARIS: Rain. T. 10-14. (S-27). PHOENIX: Partly Cloudy. T. 10-13. (S-27). PORTLAND: Partly Cloudy. T. 10-13. (S-27). RANGOON: Partly Cloudy. T. 10-13. (S-27). SAN FRANCISCO: Partly Cloudy. T. 10-13. (S-27). SEATTLE: Partly Cloudy. T. 10-13. (S-27). SINGAPORE: Partly Cloudy. T. 10-13. (S-27). SOUTHERN CALIFORNIA: Partly Cloudy. T. 10-13. (S-27). SYDNEY: Partly Cloudy. T. 10-13. (S-27). TAIPEI: Partly Cloudy. T. 10-13. (S-27). TOKYO: Partly Cloudy. T. 10-13. (S-27). WASHINGTON: Partly Cloudy. T. 10-13. (S-27). YOKOHAMA: Partly Cloudy. T. 10-13. (S-27).

## After Flight 103, Widow Tries to Cope

By Douglas Martin

New York Times Service

NEW YORK — Helen Engelhardt asked Alan, her 6-year-old son, to sit next to her on the couch. This wasn't going to be easy.

"The plane Dad was on was in an accident," she began.

"Was he hurt?" Alan asked.

"He's dead."

There was a long pause, then the whole, immense truth.

"I'm all alone with you now," Alan said.

"No, you have your family and friends, too."

Suddenly, the child lurched forward, shoving his head hard into a pillow. After long moments, he looked up and said, "Well, you can get married again."

In 49 years of living, Helen Engelhardt has had no worse conversation. The day before, Dec. 21, she became a widow when a bomb exploded aboard Pan Am Flight 103 over the Scottish village of Lockerbie, killing all



## In Mexico, Outrage Over a U.S. Senator's Drug Allegations

By William Branigin  
Washington Post Staff Writer

MEXICO CITY — A campaign by Senator Jesse Helms to reject U.S. certification of Mexican anti-narcotics efforts, alleging that drug-related corruption "permeates" the new government here, has provoked expressions of outrage from a wide range of Mexican political figures.

The sharpest reaction has come in response to a list of names of 14 Mexican government officials made public by Mr. Helms, a Republican of North Carolina. The senator asserted that the 14 senior

officials were suspected of links to criminal activity.

Among those he named were five members of President Carlos Salinas de Gortari's cabinet and seven senior law enforcement officials in the attorney general's office.

No evidence or details of any suspected misdeeds were provided.

Attorney General Enrique Alvarez del Castillo, who headed Mr. Helms's list and who previously has been accused of tolerating drug trafficking while he served as governor of his home state, denounced Mr. Helms as "a medieval individual" who "is not taken seriously in either the United States or Mexico."

The list, appended to a Jan. 26 letter to Secretary of State James A. Baker 3d and entered into the Congressional Record on March 16, included several officials identified by sources in Mexico City as having had links with drug traffickers in the past.

Others on the list, however, have never previously been accused of drug connections. The posts held by three of the 14 were misidentified on the list.

Mr. Helms's arguments against certification of Mexico produced a rare consensus among politicians of the governing Institutional Rev-

olutionary Party and opposition groups of both the left and right. Legislators condemned his criticisms as an affront to Mexican sovereignty.

Under a 1986 law, decertification of a country in which narcotics are produced or transshipped would require the U.S. government to reduce foreign aid and vote against loans by multilateral donors. In Mexico's case, the aid lost would be about \$15 million a year for a drug eradication program.

Javier Coello Trejo, an assistant attorney general in charge of anti-narcotics efforts and one of the

persons whose name was listed, called Mr. Helms "demented" and "a man sick with power."

"I challenge him to prove that I am a drug trafficker," Mr. Coello Trejo said, adding that the only thing Mr. Helms had demonstrated so far was his "total lack of knowledge" of Mexico's anti-drug campaign.

The inclusion of Mr. Coello Trejo on the list was considered somewhat puzzling since he was handpicked by Mr. Salinas to head the anti-narcotics effort and has a reputation as a tough, honest prosecutor.



FOR DISCOVERY, THE SCORE WAS PERFECT — Part of a crowd of 450,000 watching as the space shuttle Discovery landed perfectly Saturday at Edwards Air Force Base, north of Los Angeles. The shuttle, carrying five astronauts, spent five days in space. The National Aeronautics and Space Administration plans six more shuttle flights this year. The flight was the third since the 1986 Challenger disaster, which killed the crew of seven, and the 28th in the shuttle program.

## Surefire Blend for Scandal Addicts

Sex and Politics: In U.K., It's Still the Same New Story

By Craig R. Whitney  
New York Times Staff Writer

LONDON — If you think Parliament has been preoccupied recently with the state of the economy or by the investigation into the Lockerbie air disaster you are misinformed.

The biggest political sex scandal in years has washed up into the riverbank halls of the House of Commons, where worried Conservative Party legislators could be seen huddled all last week whispering about it.

The fiercely competitive and scruple-free British tabloid press is paroxysmal over the story. It involves a former Miss India-turned-researcher named Pamela Bordas, newspaper executives from across the political spectrum who have been photographed with her, Conservatives who got her a Parliament building pass and — the crucial missing ingredient, found on Friday — her reported involvement with a cousin of the Libyan leader, Colonel Moammar Gadhafi.

Where it will all end nobody knows, but the omens are hardly auspicious.

"Scandal," a movie recalling the 1963 downfall of Prime Minister Harold Macmillan's war

secretary, John Profumo, after the revelation of his liaisons with Christine Keeler, has opened to capacity houses. The film "manages to suggest that what happened a quarter-century ago is still totally relevant today," its ads proclaim.

As with the movie, the facts in this scandal barely resemble what the tabloids have done with it.

They have called Miss Bordas a "high-society prostitute" and a "Commons call girl," while the so-called quality newspapers — less money to spend on libel-suit settlements — have referred to her as a "socialite."

"Pamela and Her Friend From Libya" was a headline in the Evening Standard. The paper's charge that Miss Bordas made regular trips to Paris to socialize with the dashing, 36-year-old Ahmed Gadhafi Daim — whom it identified as "a high-ranking major in the Libyan security service" — gave the scandal the critical mass it needed to start a chain reaction.

Miss Bordas's pass enabled her to walk past the security checks and X-ray machines that keep terrorists and agitated constituents from the houses of Par-

liament. And here she was, the tabloids said, a regular visitor to Tripoli.

The two Conservative members of Parliament who hired her as an accredited researcher, David Shaw and Henry Bellingham, said they were ignorant of her social activities. They also said that she had been vouched for by some of the finest editors in Fleet Street, for Miss Bordas's research did not neglect newspapers.

She has been seen at public social occasions with Donald Treford, editor of the Observer, and with Andrew Neil, editor of The Sunday Times, owned by Rupert Murdoch, a supporter of Prime Minister Margaret Thatcher.

Mr. Murdoch's tabloid flagship, The Sun, ran a picture of Mr. Treford and Miss Bordas under the headline, "I'm not Dirty Don."

A Sun editorial noted that "Mr. Neil's link with Miss Bordas has been widely reported in all the papers published at Wapping," the Murdoch fortress far from the reach of Fleet Street's unions. It concluded: "If you can't stand the heat, stay out of the kitchen. And keep your hands off the tarts!"



Pamela Bordas, who as Pamela Singh was chosen Miss India, is the focus of Britain's biggest political sex scandal in years.

## Jesús María de Leizaola, Ex-Basque Leader, Is Dead at 92

Reuters

SAN SEBASTIAN, Spain — Jesús María de Leizaola, 92, who headed the Basque government-in-exile during the dictatorship of Franco, has died of a heart attack, a hospital spokesman said.

A justice and culture minister in the Basque government, he went into exile in France in 1937 when

Franco's troops took over the region in the Spanish Civil War.

Mr. Leizaola became president of the government-in-exile. He returned to Spain and handed over the presidency in 1979, four years after the death of Franco, when Spanish authorities permitted the formation of a Basque government.

John P. Scripps, 76,  
Scion of Media Family

LA JOLLA, California (AP) — John P. Scripps, 76, founder and chairman of the board of the John P. Scripps Newspapers division of the Scripps Howard media group and a Scripps Howard director, died Wednesday of heart failure. Mr. Scripps was also a noted

yachtsman and a breeder and owner of race horses. The scion of a family with two centuries in journalism, he invested at 16 in a small newspaper, now called the Ventura County Star-Free Press, that became the foundation of a group of papers in California and Washington state. In 1986, with his cousins Charles, Ted, and Robert Scripps, he negotiated a merger with

Scripps Howard, the firm founded by his grandfather in 1888.

### Other deaths

Georges Blond, 82, a French writer and historian, of cancer Thursday in Paris. Mr. Blond wrote about 30 books — on Napoleon, World War II, and animal and sea life.

## AMERICAN TOPICS

### States Organizing Elite Science Schools

With studies showing a widespread ignorance of science among young Americans, many state governments have moved energetically to set up selective high schools specializing in science and mathematics. The New York Times reports.

The new schools are modeled on city-sponsored forerunners such as New York City's Bronx High School of Science. But the schools have dormitories that enable them to draw students from rural areas where advanced science courses are unavailable. In some states, education laws have been rewritten so the schools can hire doctorate-level teachers who have never taken the education courses required for teacher certification.

North Carolina set up the first state-sponsored science boarding school in 1980. Now at least 17 states are steering science-minded students into special schools and offering them encounters with scientists, advanced laboratories and such challenging courses as astrophysics, microbiology and advanced mathematics.

Leon M. Lederman, winner of

the 1988 Nobel Prize for Physics, helped set up the Illinois school. He said the expense, \$16,000 a year per student, was more than paid for by the potential. "If one of these kids makes a breakthrough like Jonas Salk's," he said, referring to the developer of the polio vaccine, "you pay for the school for a hundred years."

### Short Takes

In George Orwell's novel "1984," facts no longer convenient to the authorities were sucked down a memory hole, never to be seen again. Lacking this device, one official entity did the next best thing, according to The Washington Monthly. A news release from the court stated: "Because of an error, the Kentucky Supreme Court opinion on *Franklin E. Shannon vs. Commonwealth of Kentucky* is being withdrawn and is not being rendered today. The opinion does not exist, so please destroy your copy."

With the swallows due to return this month to San Juan Capistrano, California, just as the old song recounts, some residents are doing all they can to keep the birds away from their homes. "They're a pain," said Mike White, who uses his garden hose to keep the birds from nesting under the eaves. Other householders' battle plans include knocking down empty mud nests and displaying rubber owls.

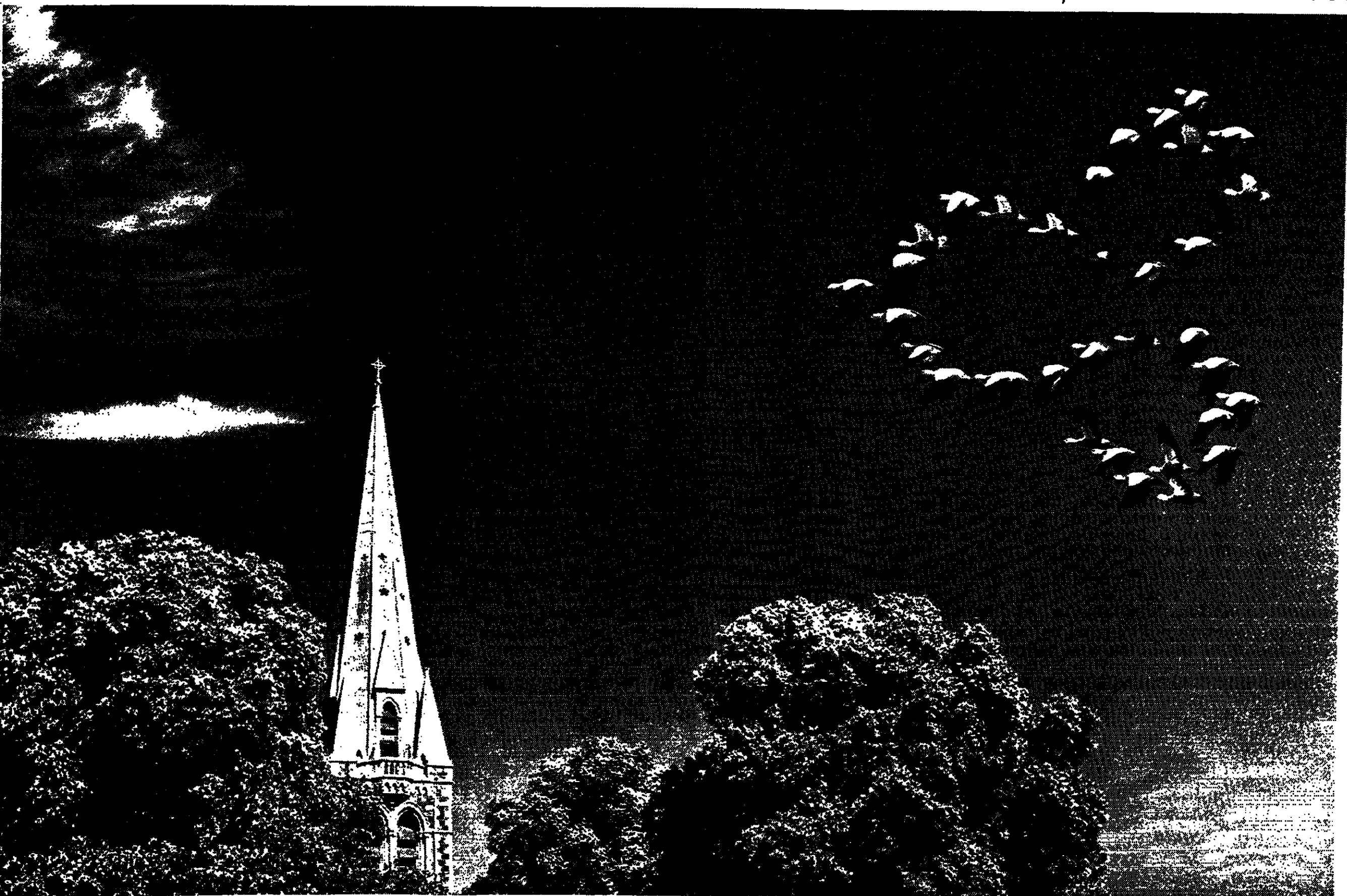
### Notes About People

The Roman Catholic archbishop of Los Angeles, Roger M. Mahony, need no longer worry about the chronic traffic jams on the freeways of his 8,300-square-mile (about 21,500-square-kilometer) domain, which is larger than some countries: A group of friends has bought him a \$395,000 helicopter. The gift includes maintenance, operating costs and insurance. Some people say the archdiocese has more pressing needs; others worry about the risks in the busy Los Angeles airspace. Monsignor Mahony, 53, who has a helicopter pilot's license, says, "If in fact you could guarantee that every day, any hour, you could get on the freeways and really go quickly, it would be, I think, a little different situation."

Gregory Peck expressed mixed feelings on receiving the American Film Institute's Life Achievement Award. "Life achievement" has a slightly ominous ring," he said. "Is that all there is?" Mr. Peck, 72, recounted an anecdote the late actor James Mason liked to tell about himself: A woman in Dublin asked him, "Now, wouldn't you be Mr. James Mason in his later years?"

Arthur Higbee

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## COMMUNIST: In Desperation, Eastern Europe's Leaders Take the Cue

(Continued from page 1)

partners in a coalition government that would emphasize economic experimentation.

Asked to explain how a socialist democracy would work in practice, a Hungarian official replied, "We're interested in democracy, without any qualifying adjective."

He underscored this pragmatism at another point by saying, "When we find a system that works, we'll call it socialism."

Other officials talked in the same vein this weekend to an East-West group comprising officials, analysts and journalists. Their comments, at a meeting in Budapest sponsored by the Aspen Institute of Berlin, can only be reported without identifying the sources.

In a speech to the group, however, Prime Minister Miklos Nemeth of Hungary said that his new government wanted "a change in model" in his country's political and economic system.

When he was sworn in last week as Yugoslavia's prime minister, Ante Markovic said that his government planned "a fundamental switch" toward a Western-style economy, relying on capital-market investment decisions instead of state planning. Mr. Markovic extolled the open-market economy as "an ultimate achievement of mankind for which no alternative has yet been found."

The outlook for his plans is clouded — like the future of perestroika in the Soviet Union — by fierce ethnic clashes that have escalated as political and economic power has been reshuffled.

Also uncertain is the tide of change in East European governments that deny any need to alter course, such as East Germany and Czechoslovakia, the two least economically ailing Soviet satellites.

Although it spurs calls for liberalization, East Germany is increasingly unswayed by the widening economic gap with West Germany and seems likely to pursue more competitive policies when Erich Honecker, nearing his 77th birthday, is succeeded by a team of the

same generation that has started making policy in Poland and Hungary.

Younger than Mr. Gorbachev, 58, they look as energetic as such earlier revisionists as Alexander Dubcek of Czechoslovakia or Imre Nagy of Hungary, who led ill-fated

**'We're interested in democracy, without any qualifying adjective.'**

A Hungarian official

authorities when he is elected by the two houses as the Polish president.

These moves toward democracy are expected to cancel Washington's objections to letting Western financial organizations provide help for Poland and thus open the way for Poland to start liberalizing its economic system.

What is different this time, of course, is Soviet foreign policy in the Gorbachev era. Eager to improve Soviet relations with the West, Mr. Gorbachev has told East European governments that they must find their own ways to political stability and economic vitality.

Soviet officials have even mused publicly about a neutral Hungary, which already has minimal military responsibilities in the Warsaw Pact. Certainly Hungary is being closely followed in Moscow as an experiment with lessons that might serve elsewhere.

"They're on the phone to us all the time from Moscow, much more often than our other neighbors in Eastern Europe," a Hungarian official said last week.

The room for maneuver is much more limited in Poland, which contains Soviet supply routes to the East's front lines in East Germany. Talk about Poland's leaving the Warsaw Pact would greatly unsettle Moscow.

Significantly expanded business cooperation between Europe's halves face major obstacles. It will take years — and far-sighted management — for Hungary and Poland to adopt realistic pricing and convertible currency, which are essential for significant Western investments.

Nevertheless, the political will

revolutions aimed at restoring independence and Western-looking systems of government.

What is different this time, of course, is Soviet foreign policy in the Gorbachev era. Eager to improve Soviet relations with the West, Mr. Gorbachev has told East European governments that they must find their own ways to political stability and economic vitality.

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"They're on the phone to us all the time from Moscow, much more often than our other neighbors in Eastern Europe," a Hungarian official said last week.

Nevertheless, the political will

for modernization is clear. "Help us by investing working capital for new kinds of ventures, not just with loans to pay for loss-making Stalinist white elephants and postpone the day of accounting," an official said in Budapest.

With both Poland and Hungary bankrupt, the only peaceful alternative appears to be Western credit.

"They have been pushed into a show of democracy," a U.S. official explained. "The leaders know that liberalizing steps will buy time, and they hope it will attract Western funding, enabling them to produce economic results fast enough to save their positions."

Are the changes in Poland and Hungary irreversible or could hard-liners be playing for time before cracking down? That is a question that East and West Europeans both ask worriedly.

Many East Europeans agree that the readiness to relinquish some power contains a cynical calculation. A former spokesman of the Democratic Forum, Hungary's main opposition group, put it this way: "It's worthy of Hollywood, the way they show themselves with us on television, portraying themselves to the country as the party seeking a historic compromise to save the nation."

In general, East Europeans seem vaccinated against the heady impulses that ended in bloodshed and humiliation in Hungary in 1956 and Czechoslovakia in 1968. In Poland, which narrowly averted a similar fate in 1982, Solidarity's struggle has become a slow-grinding campaign.

But a Solidarity official caught the mood of many East Europeans in explaining the agreement on a new parliament in Poland, where the opposition will be the Communists' junior coalition partner until elections in 1993.

"We've gained four years for the country and, if Gorbachev's policies are still being pursued then, who knows how much may become possible," he said with a grim smile.



In a Warsaw church basement, farmers voted Sunday at the end of a two-day congress of Rural Solidarity. The union, which was proscribed for seven years, acted on the government's promise of legalization. It assembled 500 delegates from 41 of the 49 provinces to debate an action program.

## GORBACHEV: Perestroika Changes Course

(Continued from page 1)

was a mistake, and the party agreed to disband Gosagroprom. Now he emphasizes new forms of ownership and more freedom to set prices.

This is the centerpiece of Mr. Gorbachev's new farm policy, which not only encourages private and collective farming, but also proposes competing financial institutions to get them started. The state farm bank should be supplemented by cooperative banks and shareholder plans, he said.

An indicator of the growing notion of competition is the spread of cooperatives, the most popular form of private business, providing services from cafes to car repair.

In January 1988, when cooperatives were regulated by a vague assortment of laws and decrees, 13,921 cooperatives employed 155,800 people. In January 1989, with a comprehensive law to encourage them, 77,548 cooperatives employed 1.4 million. This is a minuscule portion of the economy, but in a society where virtually every service is excruciatingly scarce, it is an important trend.

It is not clear whether Soviet society, accustomed to a safety net at its feet, will accept the consequences of competition: losers.

**Private Enterprise**

The explosion of many nationalisms has reminded the world that this is not a homogeneous country. Local authorities may be relatively liberal or almost feudal in their tolerance of new ideas. Naturally, some take more quickly to new economic opportunities than others, and the winners may become models for the rest.

This is already happening with cooperatives, which are flourishing in Armenia, the Baltic republics, Georgia and other pockets of entrepreneurial spirit. But lagging in Russia and the Ukraine, where private enterprise is a more alien phenomenon.

New measures expected this year will give republics and local governments more authority, including environmental regulation, social amenities and taxation.

There are at least two dangers with local autonomy.

One is the growing pressure in some republics, especially the Baltic ones, for real independence. Separatist pressures could alarm Moscow into curtailing local freedom.

The other risk is that the success

of some regions will induce envy in the more backward areas, and rather than following the leaders, the laggards will agitate for confiscatory tax laws and other measures to cut them down to size.

**Joint Ventures**

Soviet-Western joint ventures have not yet proved to be the Klondike many Westerners expected, but for Soviet partners the contacts and contracts are a crash course in real-world economics. Soviet managers and entrepreneurs are traveling more, reading more, meeting more with foreign counterparts.

On April 1, individual Soviet enterprises are to be given greater liberty to strike their own agreements with foreign partners, and later this year the government is to begin auctioning off dollars from the treasury, so that firms with a real need for foreign hardware or parts will have a chance to buy abroad.

Most economists believe that the prospect of the Soviet Union's joining the world market is something for the 21st century, but the window is open and widening.

**Private Ownership**

Mr. Gorbachev has not explicitly endorsed private ownership of land, but that seems to be the logical destination of his new farm policy. And it is just one example of his willingness to stretch Lenin's thought to fit his needs. The law on cooperatives allows the private employment of labor, which used to be denounced here as "the exploitation of the worker."

Such deviations from Leninist orthodoxy, often in the name of a return to Leninism, meet with strong resistance from Soviet conservatives, but the widening discussion lays the groundwork for more radical changes in the future, should Mr. Gorbachev choose to make them.

## Russian Recounts '79 View

### Military Opposed Afghan Invasion

Washington Post Service

MOSCOW — One of the Soviet Union's leading career officers has written that the Soviet General Staff was opposed to the intervention in Afghanistan in 1979, but that its advice was ignored by the civilian politicians.

Interviewed in the current edition of the weekly magazine *Ogonyok*, the officer, General Valentin Varennikov, described how the Kremlin became involved in an ultimately futile nine-year guerrilla war in Afghanistan through a series of political blunders. He also is bitterly critical of the former Afghan Communist leader, Babrak Karmal, who was supported by Moscow until 1986.

The new revelations by General Varennikov, the commander in chief of the Soviet Union's land forces, suggests that a long-simmering debate over responsibility for the Afghan debacle may finally be coming into the open. As a senior member of the Soviet General Staff, General Varennikov had overall responsibility for supervising Soviet operations in Afghanistan for much of the last decade.

The interview with General Varennikov was the first time that a member of the General Staff has gone on record as saying that the intervention was also opposed by the military.

General Varennikov said those opposed to the decision to send combat troops to Afghanistan in 1979 included the then armed forces chief of staff, Nikolai Ogarkov, and his principal deputy, Sergei F. Akhromeyev. Their advice was reportedly ignored by the defense minister, Dmitri F. Ustinov.

According to General Varennikov's account, the General Staff proposed an "alternative" that would have involved the creation of military garrisons around the country to help stabilize the deteriorating military situation. Under this scheme, the troops would not have been involved in offensive military operations.

General Varennikov, 65, reserved some of his harshest criticism for Mr. Karmal, who was installed as the Afghan leader by the Soviet Union in December 1979. General Varennikov describes Mr. Karmal as "a demagogue of the highest class" and an experienced political fighter.

Mr. Karmal was stripped of all his political positions in November 1986 and succeeded by Major General Najib.

**U.S. Considers a Break**

Elaine Sciolino of *The New York Times* reported from Washington:

The Bush administration is considering a formal break in relations with the Soviet-backed Afghan government but is not ready to recognize the rebel government-in-exile, senior administration officials in Washington say.

The officials stressed that the matter of breaking relations was still under discussion within the State Department and that Secretary of State James A. Baker 3d had made no decision.

But they said Saturday that there was a growing sentiment within the administration that the time had come to formally cut diplomatic ties with the Najib government in Kabul.

The United States has continued to deal with Kabul on administrative and consular matters since the Soviet intervention in Afghanistan in December 1979, and Afghanistan maintains an embassy with three diplomats in Washington.

**Kabul Reports 215 Dead**

Afghan government forces said Sunday that they had killed 215 guerrillas in fighting around a key city, The Associated Press reported from Islamabad, Pakistan.

## INTERNATIONAL POSITIONS

The World Health Organization (WHO) is an inter-governmental agency internationally recognized for its efficiency integrity and numerous lasting achievements, including the eradication of smallpox. Guided by humanitarian concerns, WHO works to direct and coordinate global and national efforts to improve the health of peoples in more than 160 member countries at all levels of development. To meet its objectives WHO depends on staff members with special qualities of leadership, dedication and commitment.

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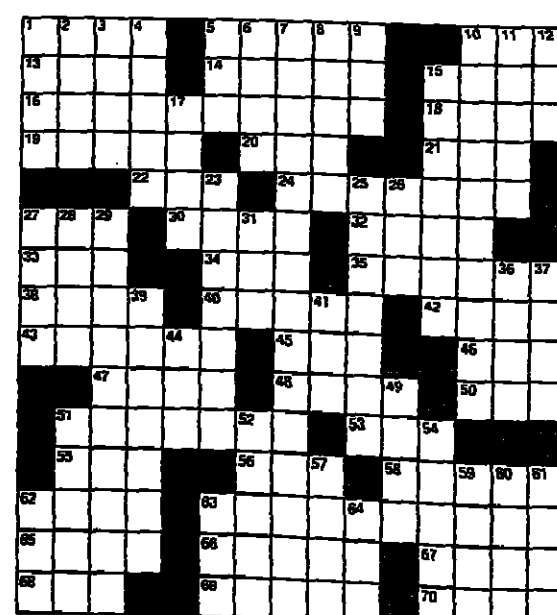
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  - 29 Adjective for a loner
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  - 39 Exalt



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- DOWN**
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  - 2 Keats or Yeats
  - 3 China predecessor
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  - 5 Spring mo
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  - 7 TNT
  - 8 Choreographer De Mille
  - 9 Col's command
  - 10 Yukon capital
  - 11 Soviet co-op
  - 12 Regret
  - 13 Molasses
  - 14 Cinders of comics
  - 15 Fowl spot
  - 16 Actress Brit
  - 17 Dreambank
  - 18 Sheltered at sea
  - 19 Famed writer on English law
  - 20 South to Rene
  - 21 Brad or spud
  - 22 Fast planes
  - 23 Vacuum tubes
  - 24 Inlet
  - 25 Common Market initials
  - 26 Hollywood structures
  - 27 Eighth son of Jacob
  - 28 Consent
  - 29 Put off an agenda item
  - 30 Dividers at Wimbledon
  - 31 Indigent
  - 32 Do a laundry job
  - 33 Lanar
  - 34 Bad Em. e.g.
  - 35 Where to find dumbbells
  - 36 Scum's dissent

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## 4 Arabs Killed by Israelis

### Palestinian Strike To Be Extended

Reuters

JERUSALEM — Israeli forces in the occupied territories shot and killed four Arab protesters on Sunday, one of them a 12-year-old, increasing the death toll in a week-end of clashes to seven.

Security and hospital officials said two Palestinians had been killed in the Gaza Strip and two in the West Bank village of Silat Khariya in protests sparked by the army's killing on Saturday of three protesters outside a Gaza City mosque.

In Silat Khariya, troops shot and killed two Arabs, 12 and 18 years old, and wounded two others, one critically, security officials said. Hospital officials said that at least 40 others had been wounded by beatings in Gaza on Sunday and that there were many casualties from gunfire.

Palestinians in the Gaza Strip responded by extending a general strike planned for Wednesday to a four-day stoppage, effective immediately.

The shooting on Saturday of Arab protesters, one on the roof of a Gaza mosque and two outside the building, ended a week of relative calm.

In Amman, Jordanian authorities questioned on Sunday guerrillas who had been captured after they killed an Israeli soldier in a raid into Israel.

A Jordanian official would not identify the men who ambushed an Israeli patrol near the frontier south of the Dead Sea on Friday night and then slipped back into Jordan. The Damascus-based Fatah Uprising group led by Colonel Abu Musa took responsibility for the raid.

The raid seemed designed to embarrass Jordan, which strenuously deters guerrilla activity, and the mainstream Palestine Liberation Organization, which is engaged in a peace initiative and a dialogue with the United States.

The Abu Musa group said the raid had been undertaken from a secret base in Jordan, and it warned Amman not to harm the captives. It vowed to launch more raids from Arab countries.

In Damascus on Sunday, a Fatah Uprising official threatened to kill any Palestinian who met Israeli officials in the occupied territories.



Jean-Paul Gaultier's pleated skirt suspended over fitted jacket.

## FASHION: Gigli's Paris Debut

(Continued from page 1)

through a basic wardrobe. For Gigli, basics mean a rounded cocoon coat, a long fitted jacket, his signature cross-your-heart and tunic knits and narrow pants.

The show opened with crushed velvet coats — mole brown and wine dark — with green and gold brocade peeking out at the middle. These shawl-collared coats, jackets and boleros came out repeatedly but always with an extraordinary decorative touch: scarves, embroidered yellow, gold and apple green like Easter altar cloths; gilded birds winging across mid-brown velvet; a filigree of pearls stitched on a cloth-of-gold bolero.

Even simple one-shoulder tunic knits or pointed chignon evening skirts had the same medieval richness in their subdued shades.

Gigli said after the show that the colors and the embroideries (all hand-done in India) were inspired by Byzantium's Empress Theodora.

"I have spent my life looking at beautiful books — 20,000 of them," said the designer, whose father and grandfather were both antiquarian book dealers.

Gigli said his decision to show in Paris had been made "as a sort of joke over a glass of wine."

After such a triumphant debut on the international stage, Milan may find it hard to win him back.

Issey Miyake came from Japan to show in Paris 16 years ago. He gave a sensational show on Saturday, also receiving an ovation for his incisive, modern cut and technically imaginative fabrics.

Miyake opened with a tunic-

and-leggings theme, which is dominating the forward-looking collections. But Miyake's knits were felted into three-dimensional sculptures; his tights were crisscrosses of pattern under swirly coats in a sunny sky blue.

Claude Montana knows that times and shoulders have changed, and he recast a beautiful new coat, a shawl-collared bathrobe that came in colors tawled from a watery aquamarine, shadowy violets and an indigo from unfathomable depths.

It was a fine example of modern tailoring and a good show, but not a great one.

The Case of the Disappearing Skirt has been the story from fashion's futurists, as sturdy leggings take over the bottom half. Jean-Paul Gaultier did produce a frizzle of cheerleader pleats, peeking out from under long fitted jackets, but the skirts all had the leggings underneath.

The wonderfully inventive Gaultier also produced the tailcoat in knit, in pale blue, jade green and tan, relieving a color palette that was on the heavy side.

In spite of his wit and talent, there was something downbeat and depressing about the idiom in which the show was staged, with hefty platform-soled shoes, harsh makeup, aggressive music and some disgusting bondage strap dresses that left a sour taste.

## MOSCOW: Yeltsin Cheered

(Continued from page 1)

self as a surrogate for those fighting against injustice.

The party establishment is openly supporting Mr. Yeltsin's opponent, Yevgeny A. Brakov, the director of an automobile factory that turns out limousines for senior officials. A meeting last week of the policy-making Central Committee voted to set up a commission of inquiry to establish whether in his campaign speeches Mr. Yeltsin had violated party discipline by advocating discussion of a multiparty system.

At the rally Sunday, speakers demanded the abolition of the commission of inquiry. They also expressed fears that party officials might try to rig the election by adding the ballots of Soviet troops and diplomats stationed abroad to those of Moscow residents.

The demonstrators, many of whom carried campaign portraits of Mr. Yeltsin and the slogan "The People's Candidate," had initially gathered in Gorky Park, two and a half kilometers away on the city's ring road. When they heard that the meeting had been banned by Moscow authorities, they decided to march to the city center.

Shouting "Hands off Yeltsin" and "Come and join us," the protesters gathered fresh recruits as they marched, pausing to chant "Shame, shame" outside the offices of Tass, the news agency. By the time the crowd reached Gorky Street, it appeared to number between 5,000 and 7,000 people.

During an election meeting Saturday in a Moscow suburb, Mr. Yeltsin, 57, said that he would not be deterred by the official investigation into his campaign statements. He was greeted with wild applause when he said he had "come to realize how far the party apparatus is divorced from the people."

In another attempt to tarnish the city's Communist Party organ, the city's Communist Party organ published an article Sunday asserting that he took advantage of leucocratic perquisites. It said that he made full use of a limousine and country cottage assigned to him as deputy minister for construction, and that members of his family frequently used special hospitals reserved for senior officials.

Such attacks have made little impression on Mr. Yeltsin's supporters, who regard them as further evidence that the authorities are determined to undermine his campaign. The evident animosity of officialdom is, in a way, his strongest electoral asset.

## VOTE: Fighting Lowers Turnout in Presidential Election in El Salvador

(Continued from page 1)

traffic has almost vanished from the highways.

In the town of Ayutzepeque, just outside San Salvador, election workers from several precincts failed to show up Sunday to open polling places after heavy fighting was heard nearby.

The city of Zacatecoluca, about 50 kilometers (30 miles) southeast of the capital, was described as a "virtual ghost town" by a local radio reporter.

The radio report said that heavy fighting had broken out in and around Zacatecoluca and that people were terrified to leave their houses.

In the San Ramon neighborhood of the capital, where heavy fighting had broken out in the early morning and was still going on at midday, polling places were empty.

A Red Cross spokesman, Carlos Mendoza, said that at least one soldier had been killed in the fighting in San Ramon.

"No one is leaving his home," said a neighborhood resident, Victor Chavez. "We've heard at least 30 bombs go off this morning in the area," he said in a telephone interview.

A Defense Ministry spokesman said the heaviest battle had taken place in Ilobasco, about 100 kilometers northeast of San Salvador in Cabanas Province. Five guerrillas were killed when they attacked a National Police brigade in the town, the spokesman said.

Seven other guerrillas were killed in fighting overnight throughout the northern province of Chalatenango, the Defense Ministry said.

Roberto Navas, 28, a free-lance photographer working for the Reu-

ters news agency, was killed Saturday night and another photographer, Luis Galdamez, 34, was seriously wounded in the San Salvador suburb of Ilopango when soldiers fired at them as they returned home, the authorities said.

A Defense Ministry spokesman also confirmed an earlier radio report that Mauricio Pineda, a cameraman working for a local television station, had been killed.

A Dutch reporter was killed in San Francisco Javier in southeastern El Salvador, in fighting between rebels and government forces, local radio said. Netherlands television identified the slain journalist as Cornel Lagrouw, of the IKON Dutch broadcasting association.

The Farabundo Martí National Liberation Front decided to boycott the elections after negotiations

for rebel participation in the presidential campaign broke down earlier this month.

On Sunday, the front issued an offer to negotiate to end the war, but not before the new president is sworn in on June 1. The nine-year-old civil war has left about 70,000 people dead.

Mr. Cristiani responded immediately to the offer, saying that, as president, he would be willing to meet with the front but that "any negotiations in the future must take place in secret."

(UPI, AFP, AP, NYT, Reuters)

## JAPAN: Groves of Academe Consist of Cherry Trees

(Continued from page 1)

provide the rest of the world that is high quality."

Many Japanese are suspicious of the U.S. academic onslaught. "They thought we'd teach their kids to put their feet up on their desks," one Temple professor recalled.

The Education Ministry will not grant college accreditation to the foreign schools, meaning that Japanese who graduate from these colleges will not be considered in Japan as holding a diploma. But the U.S. schools are hoping that Japanese students will see the value of a U.S.-style education. Japanese companies are in fact beginning to hire U.S.-educated employees to staff their overseas plants.

Most U.S. universities hope to follow the lead pioneered by Southern Illinois: settle in a Japanese backyard where land is cheap, provide U.S. faculty to teach Japanese students a year of intensive English and another of general education, and then guarantee admission to the U.S. campus for the final two years of college.

The universities have various motives, according to officials in Japan, including recruiting students who can pay full tuition as the college-age pool dwindles at home.

Mr. Sharp said he worries that some schools, attracted by tales of yen in the streets, may not appreciate the difficulties of setting up shop here, from the high cost to the isolation of small-town life in Japan.

Nakajo, where Southern Illinois has settled, is a small town: popula-

tion 30,000, no movie theater, no previous exposure to foreigners.

Many residents initially were uneasy about becoming a U.S. college town, said Nakajo's international-minded mayor, Nobuo Kumatana.

But during SIU's first year, the town seems to have adjusted well. Last May, SIU admitted its first Nakajo class: 450 students, almost all Japanese, mostly from the Tokyo area — and mostly, according to interviews, rejects from the more rigorous Japanese admission process.

Although SIU is expensive — about \$10,000 a year for tuition alone, far more than most Japanese universities — the principal, Jared H. Dorn, said it was not here to make money or recruit students. Rather, he said, SIU wants a presence in this dynamic economy.

"We feel educational institutions need to follow or be part of the interests of business, in terms of the preparation of our students, and in terms of their marketability," Mr. Dorn said. "And in terms of the image of the school, this may be important."

Mr. Muramoto said he expected another two or three universities and towns to match up in time to offer classes in April 1990. The towns will offer land; the schools, their faculty. Other schools are not waiting for the Cephardt committee's recommendations.

Georgetown University, for example, has teamed up with the Tokyo Business School of Foreign Language to offer a three-week summer course in linguistics. The University of Nevada-Reno will accept its first class next month. "Japanese-Born, American-

Raised," its brochure advertises. "The chance has come. Let your challenge spirit burst forth."

Dartmouth College's Amos Tuck School of Business Administration has set up shop in western Japan. West Chester University of Pennsylvania is coming, and so is Edmonds Community College of Washington state.

The Los Angeles County community colleges, operating on the fifth and sixth floors of the Yamanashi Beauty School, also will teach English and give students a chance to transfer to California.

Japanese schools and businessmen, meanwhile, are showing increasing interest in U.S. campuses. Shows Women's University of Tokyo bought TMI Academy in Sweetwater, Tennessee, while Tokyo University bought Regis College in Colorado.

## Herald Tribune

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## RESULTS JANUARY 1 — DECEMBER 31, 1988

■ Orders received	MSEK 13,553	+13%
■ Invoiced sales	MSEK 12,401	+10%
■ Order backlog	MSEK 4,822	+31%
■ Income after net financial items	MSEK 1,053	+31%
■ Return on capital employed	19.0% (15.9)	
■ Return on equity capital	18.1% (15.8)	
■ Earnings per share	SEK 47.70 (40.30)	
■ Proposed dividend	SEK 15.50 (13.00)	
■ Split 4:1		
■ Forecast: Continued improvement in income		

SALES (MSEK)	1988	1987	Change, %
Orders received	13,553	11,998	+13
Invoiced sales	12,401	11,321	+10
Order backlog	4,822	3,670	+31

Of the order backlog, MSEK 4,320 (90 percent) consists of orders for delivery in 1989. The order backlog in the companies acquired at year-end 1988 amounts to MSEK 427 and is not included above.

CONSOLIDATED RESULTS AND PROFITABILITY (MSEK)	1988	1987	Change, %
Operating income after depreciation	915	743	+22
Operating margin, %	7.4	6.6	
Net financial items	138	58	+138
Income after net financial items	1,053	801	+31
Profit margin, %	8.5	7.1	

Accounting methods have been changed slightly in the 1988 financial statements, which negatively affected reported income by MSEK 66. These changes include charging monetary correction of equity in the Brazilian subsidiaries against operating income. In contrast to previous years, net financial items included a capital gain of MSEK 4 (52) on the sale of investment shares.

The increases in operating margin and profit margin, combined with an acceleration in the rate of capital turnover, have improved the Group's profitability. Thus, return on capital employed before tax was 19.0 percent (15.9) and return on equity capital after full tax was 18.1 percent (15.8). Earnings per share, taking into account outstanding convertible debentures and options, increased from SEK 40.30 to SEK 47.70. Earnings per share after extraordinary items were SEK 48.10 (68.80).

As in previous years, goodwill was eliminated through a lump sum write-down. Thus, planned depreciation of goodwill was not charged against income after financial items. The 1988 lump sum write-down of MSEK 439 was made directly against nonrestricted equity in accordance with practice developed during the past two years. Last year's lump sum write-

down of MSEK 566 was reported on a separate line in the income statement below income after extraordinary items.

### OPERATING AREAS

Due to increased volumes Agri has improved its earnings, which combined with the effects of capital rationalization has increased return on capital employed.

Earnings and profitability of the Food operating area have improved as a result of cost and capital rationalization measures. Also, the company acquisitions made in 1986 and 1987 provided favorable contributions to earnings.

The investment climate in the industry operating area has led to increased sales volumes, primarily for the Thermal and Separation Business Areas. In addition, the restructuring program now completed by Separation has boosted earnings and profitability to satisfactory levels.

The Thermal Business Area also reported increased profitability. The Automation Business Area has increased earnings and profitability, due to cost-reductions in combination with the integration of the acquired company Satt-Control.

Finance and Real Estate management maintained high earnings. The somewhat lower return on capital compared with 1987 is connected with this year's high income from the share portfolio.

(MSEK)	Operating income 1988	Return on capital, % 1988
Agri	216	203
Food	235	81
Industry	547	375
Operating Area Total	997	659
Finance and Real Estate and Joint-Group	503	505
Income before financial expense	1,500	1,164
Financial expense	-447	-363
Income after net financial items	1,053	801
Full tax and minority shares	-337	-196
Income after full tax	716	605

### COMPANY ACQUISITIONS

The American company Sharples was acquired by Alfa-Laval in December 1988. This represents the Group's largest acquisition to date. The company specializes in decanter centrifuges used in environmental conservation and in the food and chemical industries. This acquisition makes Alfa-Laval the world-leading supplier of decanter centrifuges and complements the Group's program of centrifugal separation.

The acquisition is of major strategic importance and will have favorable synergy effects on marketing, product development and production during the next few years. However, the effects on the 1989 income will be insignificant due to the costs of integrating the company's operations with those of Alfa-Laval.

The previously acquired U.S. companies Cashin and Formax have formed a platform for the development of a new division designed to be a leading supplier to the expanding ready-cooked food market. An additional company, Koppers Machinefabriek B.V. in Holland, was acquired in December 1988. The company is a

world-leading supplier of machines and process lines for the ready-cooked food sector.

The following companies were acquired towards the end of 1988: Koller, which will be the Flow Equipment Business Area's sales company in Finland, Labors AB, Stockholm, a supplier of instruments and accessories to laboratories in Sweden, and AB Albia, Stockholm, a paper and pulp cleaning company. The last two companies are part of the Zander & Ingeström Group.

The companies acquired at the end of 1988 provide the Group with annual sales of approximately MSEK 900. The 1988 income has not been affected by these acquisitions. Partial payments for the Sharples and Koppers acquisitions were made in 1988 and have thus affected the consolidated balance sheet.

During the past three years some twenty company acquisitions have been carried out and add approximately SEK 3.3 billion to the Group's total annual sales.

### INVESTMENTS

Investments in buildings, machinery and equipment amounted to MSEK 444 (424), and mainly pertained to investments in production machinery, laboratory equipment and computers for production control and R&D.

### LIQUIDITY AND FINANCING

Total funds supplied internally during the year amounted to a surplus of MSEK 1,078, not including company acquisitions. This was attributable to a healthy cash flow from after-tax income, capital rationalization measures and the sale of low-yield assets. Payment from the sale of the Albia property (MSEK 430) was received in January 1989. A net total of MSEK 676 was invested in company acquisitions. Thus liquid funds increased by MSEK 402 from surplus cash flow and by a further MSEK 636 from external borrowing. Total liquid funds amounted to MSEK 3,976 at year-end, which is MSEK 466 more than the Group's total external borrowing. Group net financial items amounted to MSEK 138 (58) as specified below:

(MSEK)	1988	1987
Net interest income/expense	169	-9
Exchange differences	-36	-26
Other financial income	5	93

The improvement in net interest income was attributable to higher net liquidity and a higher surplus generated from the Finance Business Area, compared with last year. The negative exchange differences are on the most part attributable to the Group's Brazilian subsidiaries. Other financial income was realized mainly from capital gains on the sale of investment shares.

### PERSONNEL

	1988	1987
Average number of employees in Sweden	5,114	5,539
Average number of employees outside Sweden	12,042	10,512
Total number of employees	17,156	16,051

The average number of employees increased by 1,105. Company acquisitions less company sales resulted in an increase of 411 employees. Consolidation of subsidiaries in India added 1,128 employees. Rationalization measures, mainly in the Food Engineering and Separation Business Areas, decreased the number of employees by 434.

### FORECAST FOR 1989

During the first two months of 1989, order bookings were up 26 percent over a year ago, of which recently acquired companies accounted for 6 percent of points.

It is anticipated that the Group's invoiced sales will increase by approximately 15 percent in 1989. A continued improvement in income is expected.

### CONSOLIDATED INCOME STATEMENT (MSEK)

	1988	1987
Invoiced sales	12,401.0	11,320.5
Cost of goods sold, selling, etc.	-11,143.2	-10,278.8
Operating income before depreciation	1,257.8	1,041.7
Planned depreciation	-342.9	-299.4
Operating income after depreciation	914.9	742.3
Financial income and expense	138.1	58.3
Income after financial income and expense	1,053.0	800.6
Extraordinary income and expense	8.9	465.2
Income after extraordinary income and expense	1,061.9	1,265.8
Lump sum write-down of goodwill	-	-565.9
Minority share in subsidiaries' income	-27.9	-7.8
Income before allocations and taxes	1,034.0	692.1
Allocations	56.9	-158.0
Income before taxes	1,090.9	534.1
Taxes	-354.2	-279.1
Net income for the year	736.7	255.0

### DIVIDEND AND PROPOSED DISTRIBUTION OF UNAPPROPRIATED EARNINGS

The Board of Directors have proposed that the Annual General Meeting approve a dividend of SEK 15.50 (13) per share, which will require MSEK 227.5 (190.8). It is also proposed that the par value of Alfa-Laval's shares be changed from SEK 50 to SEK 12.50 by conversion of one SEK 50 share for four shares of SEK 12.50 each.

### ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Stockholm Fair, Ålvsjö, at 4:00 p.m. on Wednesday, May 10, 1989.

Stockholm, 15th March 1989  
ALFA-LAVAL AB  
The Board of Directors

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# Herald Tribune

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## FSX: Second Thoughts

Congress and the administration are having welcome second thoughts about the Japan fighter deal negotiated by the Pentagon. It is by no means clear that the Pentagon took America's commercial interests fully into account or, as it contends, that it got the best deal available.

The deal on the table is that Mitsubishi Heavy Industries will develop the FSX, an essentially new plane loosely modeled on the F-16, the front-line U.S. fighter. Mitsubishi would gain access to the F-16's technology. In return General Dynamics would get part of the development work and a vague promise of 40 percent of the production.

Robert Mosbacher, the new commerce secretary, has rightly complained of his department's exclusion from the negotiations. His concerns have been backed by President Bush's chief of staff, John Sununu, who is skeptical of the Pentagon's technical arguments. Mr. Bush's best choice is to cancel the deal outright or at least to insist that its vague language be tightened to safeguard U.S. interests.

Amid the complex arguments for and against the deal, there are two basic points: First, Japan can use its defense dollars best by buying an American plane off the shelf. Developing its own at twice the cost would increase America's already heavy share of Japan's defense costs.

Second, America's trade deficit with Japan is a painful \$50 billion a year and getting no better. The F-16 is a high-quality product at an unmatchable price. Why wouldn't Japan seize such a chance to help itself and its chief ally and trading partner?

The Pentagon accepts both these arguments but says Japan simply refuses to buy off the shelf; the FSX deal was the best the Pentagon could strike. It says the United

States will get access to important Japanese technology. And it ridicules assertions that the deal could help Japan with its professed goal of building a civil aviation industry; F-16 technology, it argues, is old and irrelevant to commercial planes. But consider:

• Though a 1970s design, the F-16 is constantly updated: the technology is by no means old. Of most use to Japan's civil aviation goals, however, is not any specific technology but the experience of integrating various technologies in a single plane.

• There is no documentation of the claims that Japan has important technical breakthroughs to offer through the FSX deal. These are paper promises. If Japan has technology of military interest, the Pentagon can surely license it specifically.

• Japan's claim that it prefers to build its own fighter and agreed to the FSX only as a concession may be only a shrewd bargaining position. The last all-Japanese fighter, the F-1, was not very successful. Despite its formidable manufacturing skills, Japan could probably not build an adequate modern fighter without American help.

The Japanese are tough, defensive negotiators. In the FSX deal they have resolutely pursued their own commercial interests while the United States has allowed commercial interests to take second place to defense and foreign affairs.

Mr. Bush's best course would be to cancel the FSX deal, and count on Japan to recognize the obligations of its intimate partnership with the United States. As second best, he could insist on tightening the deal's vague promises of technology transfer and production shares. Japan might then choose to do what is in both countries' mutual interest — buy American fighter planes.

— THE NEW YORK TIMES.

## Steroids on the Stand

A pall was cast over last year's Olympic Games when the fastest man there, Ben Johnson of Canada, had his gold medal taken away because he tested positive for steroid use. Now the Canadians are conducting an extended inquiry into the matter that may, before it is over, do a great deal of good for sports in Canada and elsewhere.

So far the most dramatic testimony at the Toronto hearings has come from one man: Ben Johnson's coach, Charlie Francis. He has admitted giving steroids to Mr. Johnson and other Canadian athletes (with their knowledge), but he says that not to have done so would have amounted to "unilateral disarmament" because practically all the other top sprinters in the world use the body-building drugs. Mr. Francis claimed that British coaches told him they chose athletes for drug testing by drawing names from a hat, but left out the names of suspected steroid users. He said sports officials from other countries told of testing procedures that seemed designed primarily to avoid catching any cheaters. (The Dutch, he alleged, would sometimes just send a bottle to an athlete's hotel room and ask him to send back a urine sample.)

Charlie Francis, once an Olympic sprinter himself, got into coaching in the late '70s with a neighborhood team. He recruited local kids, mostly poor West Indian immigrants. One was Ben Johnson, who, when he first came out, was weak, slow and weighed only 93 pounds (42 kilograms). Mr. Francis recalled that once he took Ben

Johnson and his older brother, Eddie, to Montreal for a track meet and noticed that at dinner they ordered only a single plate of French fries to share.

In some sports, particularly boxing, there is nothing new about young people risking their health for a chance to break out of poverty. But that is no reason it should be allowed to happen in track and field as such events become increasingly lucrative. Ben Johnson was on steroids for seven years, according to Mr. Francis. The coach said there have been no side effects, but Mr. Johnson's lawyer said the runner has suffered a mild enlargement of his left breast.

Another Canadian sprinter coached by Mr. Francis was Angela Issajenko, who has testified on her steroid history. She said she experienced hypoglycemia, fatigue, lower back pains, acne and water retention so severe that (as she noted in her diary) "My skin is getting so tight, it's hard to push the needle in, also to take it out."

Names are being named in these hearings, and angry denials are coming in from sportsmen in Europe and Canada. If the people making them were wronged, they should have their say, either in the Toronto hearings or in forums convened elsewhere. But it is a good thing finally to have this seamy business talked about openly, on the record and under oath. That is the only way doctors, athletes, coaches and others involved in these formerly amateur sports will be brought to deal with the problem.

— THE WASHINGTON POST.

## Arming to Battle Drugs

Foreign agents are organizing disaffected young Americans and arming them for war. They have already seized control of whole neighborhoods, murdering hundreds in the process. Police and public officials are outraged and overwhelmed.

This scenario is not fictional: as local thugs carry out the work of foreign drug cartels, the terror in the streets is real. If its purpose were political, America surely would have mounted a determined counterattack long ago. But the terror is a bloody side effect of drug abuse. Americans condemn narcotics, even as they spend billions to buy them — and then recoil in spasms of panic.

Last week brought another spasm, this time over the proliferation of military-style weapons among the drug gangs. New measures to disarm them are needed, but the larger problem requires more than frantic reactions. However complex and daunting the drug problem, the outlines of a constructive, realistic policy are clear.

Speaking of drugs in his Inaugural Address, President Bush declared bravely that "this scourge must stop." But his only concrete proposal has been to call for a tougher federal death penalty. That is grandstanding: While the increase in murders is alarming, most drug-related crime does not involve killing and may not be subject to federal law. And while executions might give grisly vent to public frustration, they do nothing to deter the drug dealer on the street who may face death daily.

Meanwhile, Mr. Bush's drug policy director, William Bennett, remained invisible. Then, last week, the furor over "high-tech killing machines" in the words of the Los Angeles police chief, Darryl Gates, persuaded the California Legislature to approve a ban on assault rifles. And meanwhile, the pace of murder in the District of Columbia has quickened. Mr. Bennett emerged and persuaded the president to drop his rigid

opposition to gun control and support a suspension of assault rifle imports.

That will not affect domestic producers. Nor does it eliminate tens of thousands of assault rifles already in private hands. But it does support steps moving toward tougher laws, and it inspired a display of responsibility by one domestic manufacturer, Colt Industries, which withdrew its popular assault rifle, the AR-15, from the market.

Mr. Bennett vows to make Washington a laboratory for drug policy. That could be constructive — if he follows these principles:

The first mission of the police is to take back the streets. Where drug dealers have seized control of neighborhoods, police in New York and elsewhere have succeeded in regaining control with saturation tactics. Invasions of cops make it harder to buy drugs. That discourages new customers and may persuade addicts to seek help.

Drug treatment needs more money. While there is no cure for cocaine addiction, many addicts respond to psychological counseling, sometimes combined with antidepressants, even acupuncture. Treatment ought to be available on demand.

The mass media can educate. Most kids watch television and listen to the radio, and groups like the Media Partnership for a Drug Free America are demonstrating that compelling advertising campaigns can transform attitudes.

A frustrated public clamors for immediate relief that no one knows how to provide. Yet regaining some control over street violence and using treatment and media campaigns to shrink demand are meaningful, achievable goals. The public will appreciate them to the extent it understands the limits of slogans and simple remedies. The drug problem in which Mr. Bennett is now acquiring new expertise also challenges his deeper experience — as a teacher.

— THE NEW YORK TIMES.

## Bush's Drug War Matters to the Third World

By Stephen S. Rosenfeld

WASHINGTON — The Bush administration's newly announced assault on drugs in the city of Washington qualifies as one of the major foreign-policy initiatives it has taken so far and as an entirely worthy one. It means that the American government is stepping up to a problem — drugs — with overwhelming implications for the producing nations of the Third World, especially in Latin America, and that it is stepping up to it in the first instance on the right side, which is the demand side, where the drugs are used, rather than on the supply side, where they are produced.

The Third World countries caught up in the coils of the drug trade have an immense and legitimate interest in seeing the United States accept a fundamental responsibility for it. They are not strangers to malingering, but they are desperate to have the United States act to choke American demand. The U.S. market creates for them an inferno that consumes their far flatter social structures and official institutions. What for the United States is a terrible social disorder is coming to be for some of the Andean countries a matter of national life and death.

The United States has been through some uncertain stages in dealing with the international dimension of its drug problem. First there were efforts to jack up foreign law enforcement, promote crop eradication and substitution and in general to raise the issue to a level of formal and regular state-to-state concern. It was considered progress to get a reluctant State Department to add drug enforcement to the list of things diplomats concern themselves with.

More recently, frustration has prompted attempts to apply U.S. intelligence, law enforcement and military resources directly in the growing countries, to punish them (customs checks, aid cutoffs, public abuse) for their more conspicuous derelictions in the drug cause and to make the producers approach to this problem a litmus test of their fitness to be America's partners on other matters.

These efforts have generally served U.S. relations with the growing countries, a price that would be acceptable if it were accompanied by a fall in the flow of drugs, but that has not happened. And diligent as it is, the American drug bureaucracy could credibly promise the requisite breakthrough.

Indeed, the situation may be getting worse. Douglas Payne writes in Freedom at Issue that in Colombia, the kingdom of crack, establishment elements are turning from war on drug traffickers to coexistence with them. The traffickers apply not only their powers of corruption and intimidation but also the seductive logic that drug proceeds serve to alleviate the country's poverty, hunger and social inequality.

As it happens, this evidence of the increasing perversities of coping with drugs on the supply side coincides with a pronounced new surge of U.S. interest in the international approach. President Bush has pronounced drugs a scourge to be routed, and his secretary of state, James

Baker, followed by inscribing drugs on the Soviet-American agenda. From Afghanistan, Soviet troops brought home a taste for drugs that has made the Kremlin more sensitive to this problem, and the easing of the Cold War makes more possible a concerted approach to it.

No doubt there are useful ways to apply the new international concern to cut supply — in intelligence sharing and law enforcement, for instance. This is a battle that has to be fought. But the underdevelopment of the Third World and the corruptions of the drug trade make it unrealistic to expect that even sharply improved international cooperation will make much difference on the supply side. We cannot afford to allow ourselves

to drift into the comforting thought that, with Mikhail Gorbachev aboard, things are looking up.

Demand remains the crucial front, and it is here where Mr. Bush's new drug campaign, starting in the U.S. capital, must and will be cheered on around the world. This means not only law enforcement but education and treatment. Unlike the Latins, the United States cannot plausibly argue that it does not have the resources to tame this beast. Under the best of conditions, the effort will be time-consuming, erratic and often disappointing. Not the least of the new campaign's benefits, however, is the new authority it gives Mr. Bush to go back to the Latins and ask them to increase the level of their commitment, too.

The Washington Post.

## In a Chilean Valley, Some Men Fainted

By Juan de Onis

CONIHUE, Chile — In these golden days of early autumn, Chile's central valley is normally as busy as a beehive gathering in the fruits of a long year's work. This year, because of two poisoned grapes placed by unknown hands in a shipment to the United States, the valley is crippled and in shock.

I live in this valley, in a farmhouse surrounded by an orchard of nectarines, apples and grapes. My neighbors are mainly fruit growers, producers, packers, truckers and laborers. They work the four seasons to produce some of the best fruit in the world, and the rhythms of their lives culminate in the annual harvest.

Last Tuesday, thousands of men and women who had been harvesting hand-groomed grapes, lawless Packman pears and heavy red Delicious apples were assembled in front of the packing houses and told they were out of work. Some men fainted. Women sobbed. The farm owners promised to rehired everyone — if the U.S. ban on fruit imports from Chile was lifted (as it was on Friday).

But as the week advanced, the crisis only deepened. Refrigerated trucks carrying fruit to ports disappeared from the Pan-American Highway. Huge new packing houses that line the highway were locked and surrounded by security guards. The Chilean government held emergency cabinet meetings as if Chile were confronting an act of war. Demonstrations outside the U.S. Embassy in Santiago shouted anti-American slogans.

"The social problem is going to be enormous," said Ramon Achurra, who operates a large farm and packing operation. "Chile's fruit industry employs 300,000 workers, and with their families this suspension affects at least one million people. The central valley is going to be a cemetery of all their hopes this year."

My neighbor, Juan Ramon Cuevas, a farm foreman, and his wife Macarena, who is expecting their third child, had bought some furniture on credit, expecting to be able to pay with the harvest bonus. There will be no bonuses this year. Ricardo Soto, who has hauled fruit for me, is buying a second truck to take fruit to the ports of San Antonio and Valparaiso, the hubs of Chile's \$600 million-a-year fruit export business. He was just notified that all truck contracts have been canceled.

As televisions poured into the offices of export companies canceling fruit orders, the dimensions of the crisis widened. Exporters defaulted on bank loans, shipping contracts were broken by foreign brokers, and farmers, with refrigerated warehouses loaded to capacity, watched ripe fruit begin to fall in their orchards with no place to go.

"There has been a hysterical overreaction in the United States and Europe," one grower said. "There is no plausible relationship between two poisoned grapes and 30 million boxes of quality grapes that we ship to the United States."

However implausible, the reality was as devastating as an earthquake. A telefax from A&F, the U.S. supermarket chain, to the Chilean Fruit Exporters Association gave little hope: "When we resume offering Chile's fruit to the public, whether next month or next season, we must be able to offer a safe piece of fruit, free of tampering. We must remove the cloud of doubt."

The government plans a major advertising campaign abroad to restore confidence in Chilean fruit. But in the central valley, people are baffled. And even though the United States has lifted the ban, this year's harvest seems lost, with ruin for many, large and small.

The writer, a former foreign correspondent, is now a fruit farmer in Chile and edits the South Pacific Mail in Santiago. He contributed this to the Los Angeles Times.

## For Khomeini, Rushdie Was a Useful Diversion

By Reza Pahlavi II

The writer is the eldest son of the late shah of Iran.

WASHINGTON — When the 12 member nations of the European Community withdrew their senior envoys from Iran, my countrymen were heartened. Not because they welcomed a contraction of relations with the West, and certainly not because they condoned the disrespectful Salman Rushdie had shown to Islam — but because Europe had caught a glimpse of Ayatollah Khomeini's brand of jurisprudence, which has devoured so many of our best and bravest.

Suddenly the scam had become shamefully clear for all to see. Ineffective in war, the regime was feeling its ineptitude in peacetime. Demands for reconstruction and normalization of national life threatened to shift power from the radical pillars of the Islamic Republic to the managers and engineers, from professional fanatics and masters of violence to voices of progress.

If we know anything about those who form Ayatollah Khomeini's power base it is this: They will plunder, murder, kill — anything — to perpetuate a crisis. They know they cannot maintain power in peace and tranquility. In every crisis, the feared Islamic Committees, which ratify the most elementary provisions, rally those in greatest need to demonstrate against the "satanic West."

But there is method in their madness. For if Westerners believe that my countrymen hate them, they will tend to ignore atrocities committed among Iranians; furthermore, this cruel regime will be able to make any gesture on the Western hostages look like a favor. These circumstances will restrain Iran's change of taking part in the march of civilization. And that is exactly what the Islamic Republic wants, for its stalwarts are convinced that the choice for Iran is either them or the 20th century.

But do not believe them. Iranians do not hate the West. Ask the tens of thousands of Westerners



"Burn them? You mean ALL of them?"

who worked and lived in Iran before fleeing in fear of the ayatollah. Ask them about Iranian hospitality. Ask them about the children of Cyrus, the king who wrote a code of diplomatic immunity, who wrote a code of human rights, who preached cultural tolerance 25 centuries ago. They will tell you that they felt safe and happy in Iran.

Yet, today the world associates religious intolerance and all forms of terrorism with Iran. Why? The people have not changed — except that they suffer today under a killing regime.

As wishful thinkers waited for the Islamic Republic to grow moderate, some of us tried to remind them that those who had brought the ayatollah to power would continue with their struggle if it took a thousand years. True, the radicals, for reasons of expediency, have shown some tolerance toward pragmatism within the regime. The latter make it possible to maintain minimum necessary economic ties with the West.

As soon as radicals have settled scores with the voices of moderation, as soon as hysteria has neutralized the pain and hunger of the masses,

the Rushdie affair will subside. And as soon as my countrymen get the chance they will do their best to restore sanity. They will then remember what Europe and other nations do now. Iranians know that they benefit from equitable trade and cultural exchange. But they will not accept trade as a lever by their oppressors to make the West turn a blind eye to brutality and suffering in Iran.

Our younger generation now constitutes a majority of the population. They have hope but no illusions. They observe and decide for themselves: Is the European Community the promise of a new moral order, or a regrouping for more efficient conduct of the old realpolitik? Is the Helsinki vow of concern for human rights in foreign policy based on beliefs, or is it just another play in East-West competition?

The test is simple. They will remember whether those lofty ideals are applied universally — or only where it is profitable. On that basis they will decide either to revert to cynicism or to become partners in building a better world.

International Herald Tribune.

## Some Will Take Grim Delight in the Next Recession

By George F. Will

WASHINGTON — J. Robert Oppenheimer recalled that scientists working on the hydrogen bomb felt a fascination stronger than any foreboding because the concept of the bomb was so "technically sweet." Economists could be forgiven for feeling that way about the next recession: It is going to be so interesting. They will learn from it, the way architects learn from an earthquake.

The downturn probably will start with the budget deficit around \$150 billion, so \$300 billion deficits might occur in the recession. Already about 1,000 savings and loan institutions (in addition to those covered by the Bush administration's rescue plan) are almost or actually insolvent. In recession, they could radically increase the cost of the government's rescue plan. That plan is now estimated to cost \$126 billion over 10 years.

Then there is the Third World debt crisis. It is primarily a First World crisis. A U.S. recession would slow imports from the Third World and make it even harder for those nations to pay American banks.

U.S. business debt today is 30 percent higher than the historical norm, relative to GNP. This is partly because of leveraged buyouts. At the end of 1988, 11 leading banks had a \$21 billion in LBO loans. Moody's, the subsidiary of Dun & Bradstreet, says the 11 banks' LBO loan exposure is equivalent to 33 percent of their capital. Furthermore, what are delicately called "underperforming" Third World loans amount to 100 percent of those banks' capital.

Kenneth J. H. Pinker of Moody's has told Congress that "only when the business cycle reasserts itself, and we experience a more challenging economic environment, will LBOs truly be tested." But he adds that "there is a business cycle" and a recession "could produce a significant level of nonperforming loans," and that could jeopardize "the stability of highly exposed institutions."

Now, the proposition "there is a business cycle" is not comparable to "there are seasons." Michael Boskin, chairman of the Council of Economic Advisors, rightly says that no recession is necessary. It is, he says, a misreading of economic history to suggest that either the frequency or amplitude of recessions is probable.

True. But there have been eight recessions in the last 40 years, one every five years, on average. The longest period between recessions was from the end of the fourth recession in February 1961, to the beginning of the fifth in December 1969, a span of eight years and nine months. That sustained expansion was the result, in part, of President Johnson's guns-and-butter (Great Society and Vietnam War) policy. The most recent recession, the severest contraction since the Depression, ended in December 1982, six years and three months ago.

Mr. Boskin knows of "no economic law mandating that economic expansions be of old age." True, but there is a law of averages. There are probabilities regarding public-policy mistakes

and private-sector miscalculations. There are three kinds of causes of recessions. One is a shock, external or domestic, such as the revolution in oil prices. Some analysts argue that cuts in military spending triggered the 1957-58 recession.

A second cause of recessions is a policy mistake. For example, the Federal Reserve might act to apply the brakes to the economy after the economy already had begun to slow.

A policy choice can be a third cause of recession. The Fed chose to bring inflation from the economy in 1981-82 — not the sort of choice the political side of government is apt to make. But by treating the Fed as independent (actually, it is a creature of Congress), the political side tacitly concedes that such choices can be necessary.

A fourth cause of recession can be cumulative imbalances in the private sector, such as mismanagement of inventories that become a drag on growth. However, there have actually been three mini-recessions during the current long expansion. In the mid-1980s, the rising dollar stunned exports and hence manufacturing. Then the farm sector sagged, partly because farmers overextended themselves, buying land because they assumed inflation would continue high. Then falling oil prices flattened the oil patch.

But the expansion continued. As the services sector has grown as a percentage of the economy, the economy has become more recession-resistant. The services sector has no

inventories: Its product is consumed as it is produced.

The recession may be slow in coming. But when — not if — it comes, the pain will be mitigated by the pleasure of learning so much about the vulnerability of a mismanaged economy. It may be, you might say, a crash course.

Washington Post Writers Group.

## 100, 75 AND 50 YEARS AGO

### 1889: No New Opera

PARIS — The Minister of Beaux Arts, judging that, whatever be the goodwill with which the Parliament takes up the question of rebuilding the Opera Comique, that theatre could never rise from its ashes until long after the Exhibition, proposes to temporarily utilize the site. The inhabitants of the quarter are holding up their hands in holy horror. The site of the old Opera Comique to be desecrated by anything save a new Opera Comique? Never! Yesterday (March 18) a deputation went to tell Mr. Fallieres, that in default of the real thing, they wanted nothing.

### 1914: Clashes in Tokyo

TOKYO — The joint conference of the two Houses on the budget has failed to arrive at a compromise. This means that the budget will not be voted. The naval appropriation for 1914-1915 thus failing, it is feared that 8,000 men in the Yokosuka

## A Dynamic Of Change in South Africa

By Anthony Lewis

LONDON — The diplomatic air here is full of hopeful talk about South Africa: talk of change and negotiation and peace. Prime Minister Margaret Thatcher gave voice to the sense of possibility in the House of Commons last week. She was "optimistic," she said, that "before very long" the South African government would release Nelson Mandela.

History demands skepticism when there is talk of transformation in South Africa. The real issue is power, and the white minority that holds power has not shown any convincing sign of willingness to share it. But there are changes in the dynamics working on the country.

One of them is the role of the Soviet Union. For years the Soviet Union has had no diplomatic relations with Pretoria, and it supported "armed struggle" against the regime. Then, last year, it played a vital part in arranging the Angola-Namibia settlement with South Africa. Since then Russians and South Africans have met a number of times, most recently at a notably cordial conference near London.

Last week the head of the Soviet Foreign Ministry's African department, Yuri Yakushev, said the Soviet Union did not want to "enlarge the armed struggle." "We would prefer a political settlement," he said. "South Africa should not be destroyed. There should be dialogue."

Similar words came from Anatoli Gromyko, son of the former Soviet president, who heads an Africa Institute in Moscow. He said a solution in South Africa would require "sitting down for negotiations for two, three or however many years."

The new Soviet line sounds to some like a call to the African National Congress to stop its guerrilla actions and campaign instead for political negotiations. But of course it takes two to negotiate, and the South African government has always rejected any idea of talking with the ANC. Might that attitude be softening, too? Some observers in South Africa believe so. Chris Heunis, a leading cabinet member, referred recently to the ANC not in the usual way as a group of Communist terrorists but as a "nationalist movement," and he urged it "to repudiate violence and declare itself in favor of the peaceful process of negotiation."

If there is a movement among white South Africans toward negotiation, it is not a result of inspired political leadership. It comes, rather, from the slow acknowledgment of demographic and economic realities. Whites are now only 13.5 percent of the South African population, and the percentage is shrinking. Blacks are essential skilled workers — and customers. The notion that the majority can be confined to the margins, geographically and economically, is harder and harder to maintain. And it is clear to everyone that urgently needed foreign investment will not come in while the apartheid state remains.

But the question, as always, is how to move from economic to political change. People do not easily give up power. In South Africa they have not even wanted to talk about it.

Three years ago a Commonwealth mission offered a formula. It called on the government to release imprisoned leaders, including Mr. Mandela, and end its ban on the ANC and other anti-apartheid organizations. It called on the ANC to suspend violence. Then, it said, negotiations could begin. The possibilities are essentially no different now. Mrs. Thatcher told the House of Commons that if Mr. Mandela were released, "the atmosphere would change completely and it would be possible to get negotiations started between the government of South Africa and black South Africans."

Pretoria is working hard to persuade the ANC onto that path. Mrs. Thatcher believes she has some influence over the government because she has been its greatest friend in opposing economic sanctions.

If there are elements of change in the dynamics affecting South Africa, there is also a serious fresh problem. That is the absence of clear political leadership in Pretoria: the refusal of President Pieter Botha to give way to his National Party's wisest and resign.

Against that is a fundamental reality recognized by more and more white South Africans: that there have to be negotiations with the ANC. Sir Geoffrey Howe, the British foreign secretary, said recently that logic was pressing South Africa toward negotiations as "the only path" to a stable future. But he added, "I don't begin to suggest that peace is about to break out."

The New York Times.

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## New International Bond Issues

Compiled by Bassam Aoun

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
<b>FIXED-COUPON</b>						
Bergan Bank	\$100	1999	10%	102	—	Callable at par in 1992. Fees 2% (Dresdner Banksmann Lombard Securities).
Daimler-Benz Int'l Finance BV	\$100	1999	10	102 1/4	—	Noncallable. Fees 2% (Deutsche Bank Capital Markets).
E.I. du Pont de Nemours	\$250	1992	10%	101 1/2	99.47	Noncallable. Fees 1 1/2% (Credit Suisse First Boston).
GMBS Int'l N° 1	\$100	1992	10%	101 1/4	99 1/4	Noncallable. Fees 1 1/2% (Bankers Trust Int'l).
Kansai Electric Power	\$350	1996	10	100 1/4	98.875	Noncallable. Fees 1 1/2% (Nomura Int'l).
Société Nationale des Chemins de Fer	\$ 50	1990	14%	101 1/4	100.50	Redeemable in ECU at a rate of 1.13 ECU per U.S. dollar. Fees 1% (Bankers Trust Int'l).
Spekassen SDS	\$100	1999	10%	102	—	Callable at par in 1992. Fees 2%. Denominations \$250,000. (Dresdner Banksmann Lombard Securities).
Svenska Handelsbanken	\$100	1990	10%	100 1/2	—	Noncallable. Fees 3/4% (Yanichi Int'l).
Sumitomo Metal Int'l Finance Nederland BV	\$100	1992	10%	101 1/2	97.95	Noncallable. Fees 1 1/2%. Denominations \$10,000. (Dresdner Banksmann Lombard Securities).
Bank for Foreign Economic Affairs U.S.S.R.	DM 750	1996	7	100 1/4	97.55	Noncallable. Fees 2 1/2% (Deutsche Bank).
European Investment Bank	DM 600	1996	6%	101 1/4	99.875	Noncallable. Fees 1 1/2% (Deutsche Bank).
World Bank	DM 150	1997	6%	100 1/4	—	Noncallable. Fees 1 1/2% (Deutsche Bank).
CIR Int'l	ITL 100,000	1994	13	101 1/4	—	Noncallable. Fees 1 1/2% (Banca di Napoli).
Council of Europe	ECU 40	1990	14	101 1/4	—	Redeemable either in ECU or in U.S. dollars at a fixed rate of 1.14 ECU per dollar. Fees 1% (Morgan Stanley Int'l).
European Investment Bank	ECU 150	1999	9	101 1/4	99.875	Noncallable. Purchase fund from May 20, 1989 to Apr. 20, 1990 for up to 10 million ECU, year two is 7.50 million, year three is 5 million. Fees 2% (Mitsubishi Finance Int'l).
PKBanken	ECU 50	1991	9%	101 1/4	99.775	Noncallable. Fees 1 1/2% (Nomura Int'l).
Eurofima	Aus \$ 50	1990	20%	101 1/4	100.75	Redeemable in U.S. dollar at a fixed rate of Aus\$0.78 per U.S. dollar. Fees 1 1/2% (Bankers Trust Int'l).
IBM Australia Credit	Aus \$ 75	1993	15%	102	100.05	Noncallable. Fees 1 1/2% (Solomon Brothers Int'l).
Swedish Export Credit	Aus \$ 50	1991	30	100	—	Redemption is linked to the Aus\$/Yen spot rate five days before maturity. Fees 2% (Merrill Lynch Int'l).
C. Itoh Finance (Europe)	¥ 5,000	1993	7%	111	—	Noncallable. Fees 1 1/2%. Denominations 1 million yen. (New Japan Securities Europe).
National & Provincial Building Society	¥ 15,000	1994	5%	101 1/4	—	Noncallable. Fees 1 1/2%. Denominations 1 million yen. (JBI Int'l).
OLB	¥ 60,000	1999	5 1/2	102	—	Callable at par from 1992. Fees 2%. Denominations 100 million yen. (Solomon Brothers Int'l).
Skopbank	¥ 5,000	1994	7%	101 1/4	—	Callable and redeemable at par in 1992. Redemption linked to the Japanese Nikkei stock index. Fees 1 1/2%. Denominations 100 million yen. (Yanichi Int'l Europe).
<b>EQUITY-LINKED</b>						
Asahi Glass Co.	\$400	1993	4%	100	102.75	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,273 yen per share and at 130.60 yen per dollar. Fees 2 1/2% (Yanichi Int'l Europe).
Asahi Glass Co.	\$200	1993	4%	100	102.75	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,273 yen per share and at 130.60 yen per dollar. Fees 2 1/2% (Singapore Overseas Merchants Bank).
Honda Motor Co.	\$500	1993	4%	100	103.00	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 2,009 yen per share. Fees 2 1/2% (Nomura Int'l).
Nachi-Fujikoshi	\$150	1993	4%	100	102.00	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,925 yen per share and at 130.60 yen per dollar. Fees 2 1/2% (Yanichi Int'l Europe).
Nippon Thompson Co.	\$100	1993	4%	100	101.50	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,212 yen per share. Fees 2 1/2% (Nippon Kangyo Bank Europe).
Ohbayashi	\$200	1993	open	100	107.75	Coupon indicated at 4 1/2%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,925 yen per share and at 130.60 yen per dollar. Fees 2 1/2% (Nomura Int'l).
Sekisui Chemical Co.	\$300	1993	4%	100	102.75	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,243 yen per share and at 131.80 yen per dollar. Fees 2 1/2% (Nikko Securities Europe).
Setisu	\$200	1994	5	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 996 yen per share. Fees 2 1/2% (Doiwa Europe).
Teijin	\$300	1993	open	100	102.25	Coupon indicated at 4 1/2%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,212 yen per share and at 130.60 yen per dollar. Fees 2 1/2% (Nikko Securities Europe).
Asahi Glass Co.	DF 200	1993	1	100	99.25	Noncallable. Each 10,000-guilder note with two warrants exercisable into company's shares of 2,173 yen and of 62.26 yen per guilder. Fees 2 1/2% (Amsterdam-Edinburgh Bank).
Honda Motor Co.	DF 400	1993	1	100	98.25	Noncallable. Each 10,000-guilder note with two warrants exercisable into company's shares of 2,009 yen per share. Fees 2 1/2% (Amsterdam-Edinburgh Bank).

## Finance Units U.S. Metals Firms at Odds on Quotas In Malaysia Pressured

By Jonathan P. Hicks  
New York Times Service

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Malaysia's central bank is seeking a court order that would force shareholders in two finance companies and a bank to replenish the capital of the companies, bank officials said Sunday.

In separate applications filed at Malaysia's High Court on Friday, Bank Negara sought to cut the par value of shares in Supreme Finance and First Malaysia Finance to one Malaysian cent (0.36 of a cent), and the shares of Oriental Bank Bhd. to five cents.

All three financial institutions, taken over by Bank Negara over the past two years after incurring massive losses, have their shares currently pegged at one ringgit per unit.

Bank Negara said the exercise would require shareholders to either inject capital into the three companies or approve mergers with other institutions.

Jaffar Hussein, the Bank Negara governor, said the decision to restructure the capital of the institutions was taken after recurring operating losses had "completely wiped out" their capital and shareholders failed to inject new funds despite being given ample time.

Lawyers said that once court orders are granted to Bank Negara, shareholders of the three institutions would be given 30 days to restore the par value of the shares to one ringgit.

"If this is not done then their shares will be canceled," one lawyer said.

A banker said, "It is quite clear. The central bank is sending a message that it will no longer bail out failing financial institutions. Shareholders will have to bear the responsibility of imprudent banking."

The institutions will operate normally while their capital is being restructured, Mr. Jaffar said in a statement.

Under Malaysian banking laws, banks must have a minimum paid-up capital of 10 million ringgit and finance companies a minimum of one million ringgit.

Over the past two years, Bank Negara has taken over several financial institutions plagued by huge losses and bailed out deposit-taking cooperatives hit by mismanagement and fraud.

Oriental Bank, which is 22.5 percent owned by Banque Nationale de Paris with the rest held by local concerns, was taken over by Bank Negara in November 1988 after losses of 64.28 million ringgit in 1987. By having the value of its shares reduced to five Malaysian cents per unit, Oriental Bank's paid-up capital would be cut to two million ringgit from 45 million.

Bank Negara assumed control of Supreme Finance in September 1987, after it posted losses of 108.46 million ringgit for the year ended June 1987. Its paid-up capital would be cut to 270,000 ringgit from 27 million once its shares are revalued.

First Malaysia Finance, taken over by the central bank in January 1989, posted accumulated losses of 114.12 million ringgit in 1987. Its share capital of 20,274 million ringgit is to be cut to 202,740.

(Reuters, AFP)

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In separate applications filed at Malaysia's High Court on Friday, Bank Negara sought to cut the par value of shares in Supreme Finance and First Malaysia Finance to one Malaysian cent (0.36 of a cent), and the shares of Oriental Bank Bhd. to five cents.

All three financial institutions, taken over by Bank Negara over the past two years after incurring massive losses, have their shares currently pegged at one ringgit per unit.

ductors, who see their progress hampered by any weakening of the agreements, against their customers, who say that they are being hurt by the higher prices.

President George Bush supports extending the measures beyond their September expirations, but he has not said for how long or indicated whether he backs modifications.

Steel producers say prices have risen just 4 percent since 1984, far less than increases for chemicals, paper or food.

More important, they argue, abandoning the import curbs would invite foreign steelmakers to again flood the United States with government-subsidized products at prices that do not cover their costs.

Thomas C. Graham, president of the USX Corp.'s steel division, said the restraint agreements have only just begun to become effective.

"They have not been operating long enough to do the job yet," he said. While the debate on import quotas has brought unusual solidarity

to the ranks of steel producers, it has fractured the various groups of steel-buying customers.

Many customers, particularly those in the automobile and appliance industries, support extension of the quotas. This is mainly because their large-scale buying and long-term contracts tend to keep their price increases minimal.

But a smaller, more vocal group of steel customers has emerged in the last year. Led by Caterpillar Inc., the tractor maker, the Coalition of American Steel Using Manufacturers has been waging a campaign to end the quotas. They acknowledge that the price increases have been relatively small for all steel products, but they contend that costs for some goods have soared.

For example, U.S. prices of plate steel products, which are widely used in construction equipment, have risen more than 33 percent since 1985, and steel bar products are up 32 percent, according to the International Trade Commission.

## Hong Kong To Keep Status In Loan Bodies

Reuters

BEIJING — China and Britain have agreed that Hong Kong would continue to participate in the International Monetary Fund and World Bank after the British colony's scheduled reversion to Chinese rule in 1997, according to a joint statement.

The statement was issued Friday, after four days of talks by the Sino-British Liaison Group, a joint team set up to promote a smooth Hong Kong transition to Chinese rule under a 1984 accord.

Financial sources said Hong Kong, which attends annual meetings of the IMF and World Bank as part of Britain's delegation, would join China's delegation after 1997.

## 2 Large Chicago Exchanges Diverge on Futures Strategy

Washington Post Service

BOCA RATON, Florida — The two big Chicago exchanges that created and dominate the futures industry are diverging in their strategies to deal with the government investigation into possible widespread fraud in their operations and on technological advances.

These differences, highlighted at the annual convention of the Futures Industry Association, partly reflect the different outlooks of the Chicago Board of Trade and the Chicago Mercantile Exchange.

The Merc, which led the way in creating financial contracts such as stock index futures, has a reputation as the more aggressive. The Board of Trade has ventured only a short distance from the agricultural products that helped it grow into the biggest stock market in the world.

One issue raised by the investigation is whether brokers should be allowed to trade for themselves at the same time they are handling orders for customers, a practice known as dual trading.

Karsten Mahlmann, the Board of Trade chairman, defended the practice, saying dual trading is a misnomer that wrongly implies a conflict of interest. Not all brokers trade for themselves, he said, and customers can choose those that do not.

Banning dual trading, he said, would drive some brokers out of business, leading to less competition and thus higher costs.

On the other hand, William Brodsky, president of the Merc, said 95 percent of customer orders in stock-index futures are handled by brokers who are prohibited by exchange rules from dual trading.

On the automated trading issue as well, Merc officials emphasized their willingness to move away from traditional business practices defended by the Board of Trade.

Both exchanges are developing computerized systems meant to lead to worldwide 24-hour-a-day trading. Both say the systems, which would operate when their trading pits are closed at night, will help the United States maintain dominance by creating global markets for currencies.

petroleum and government bonds. The Merc a few months ago announced creation of a system called Globex in partnership with Reuters PLC. The Sydney Futures Exchange, the French MATIF futures market and the New York Commodity Exchange already have joined Globex, which is supposed to begin limited operation this fall.

The Board of Trade, which handles more business than the Merc and the next three largest exchanges combined, on Friday unveiled its own version of automated trading.

Called Aurora, it is like a video-game version of conventional trading. The screen shows a futures pit, with traders represented by little badges like the ones now worn on the floor in Chicago. The badges are to be red for buyers and blue for sellers, with the amount each wants to trade shown on the badge.

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## SOVIET: U.S. Firms See Market

(Continued from first finance page)

compare the two because of the nonconvertibility of the ruble.

Moreover, unlike the Japanese, who see virtue in hoarding their cash, the Soviets would prefer to spend it. Judging by the brisk trade on the black market, price is no object. Recent visitors to Moscow reported that a pair of Western jeans goes for about 100 rubles, the equivalent of \$161, while a stereo can run as high as 4,000 rubles, about \$6,400.

"If you went to Moscow today with just the clothes on your back," said Ed Hewitt, a Soviet specialist with the Brookings Institution in Washington, "you could come back naked with suitcases full of money."

But it is the quality not the quantity of money that remains the biggest obstacle to closer trading ties with the Soviets. Despite the military might and global influence of the Soviet Union, the ruble is hardly anyone's currency of choice. And even estimates of its worth are open to dispute. Officially, a ruble is currently valued at about \$1.60, about 6 to 8 times what it is worth on the black market.

The Kremlin has announced plans to make the ruble fully exchangeable. Next January, for instance, the government will pay Soviet exporters a 100 percent premium if they exchange their hard currency earnings for rubles; in effect, a 50 percent devaluation. But Western economists believe it may take another decade before rubles are convertible.

At the same time, the Soviet government is reluctant to part with its limited supply of hard currency to pay for consumer goods. Because of the downturn in energy and gold prices, the U.S. Commerce Department estimates that the Soviets earned the equivalent of \$30 billion in hard currency last year, roughly the same as Denmark. Five years ago, the figure stood at \$32.4 billion.

To get around currency impediments, Western companies have to rely on some



OTC Consolidated trading for week ended Friday.

(Continued on next page)

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## IADB: Capital Increase Hits Snag

(Continued from first finance page)  
Nicholas F. Brady, just over a week ago.

While the new strategy might have been expected to set a buoyant mood for a meeting, a morning-long seminar on Sunday bared a fundamental discord between creditors and debtors over the role of flight capital in any solution.

The seminar, "Restoring financial flows to Latin America," was sponsored by Nederlandse Mid-standsbank which, despite its relatively small size, plays a big role in the business of swapping Latin debt for equity investments.

Although the general thrust of Mr. Brady's statement drew unanimous approval as opening a new stage in dealing the debt problem, there was substantial disagreement about how Latin America is to satisfy its continuing need for new loans, which all parties are agreed will remain substantial for years to come.

Latin American speakers made clear their belief that the gap will have to be filled by stepped-up lending by international financial institutions such as the IADB, the World Bank and the IMF, as well as a continued flow of funds from commercial banks.

But Mr. Mulford, emphasizing a theme introduced by Mr. Brady, put a high priority on repatriation of the hundreds of billions of dollars of local money that has fled Latin America since the outbreak of the debt crisis in 1982.

The amount of private Latin investments abroad is estimated to roughly equal the region's \$420 billion official foreign debt.

Mr. Mulford cited the urgency of the need to "repatriate flight capital" in his short speech.

H. Onno Ruding, the Dutch finance minister, said that Latin governments have a financial as well as a moral responsibility to "create an attractive investment environment for this capital to return to."

Toyo Gyohten, the Japanese vice minister of finance, said that "much more strenuous efforts must be made by debtor countries to repatriate the valuable resources of their own."

"It would be most damaging," he added, "if the issue of flight capital convinced the rest of the world that the effort being made by the debtor country was not genuine and serious."

But whereas in private conversations U.S. commercial bankers say that they will resume lending when Latin investors themselves are willing to invest in their home countries, Latin Americans say that new lending will have to come first.

"The reversal of capital flight will occur when residents of the debtor countries believe that the major problems have been solved," said Jos6 Silva Herzog, Mexico's finance minister from the outbreak of the debt crisis in 1982 to June 1986. "It will, therefore, not be part of the solution."

Jos6 Luis Machuca, president of Argentina's central bank, endorsed this view.

But Mario Henrique Simonsen, former finance minister of Brazil, struck a different note. Warning that debt reduction itself would not provide enough cash flow to finance new investment and that bank losses on the debt would naturally result in a reluctance to make new loans, he called for a "substantial increase in the amounts of official institutional lending."

## Amsterdam

Stock prices edged slightly higher in uneventful trading. The ANP-CBS general index rose to 169.3 from 167.4 the previous week. Turnover fell to 7.7 billion guilders from 8.3 billion the week before.

Transportation stocks were popular, especially Furness and VOC. NMB Bank was firm, based on rumors that a foreign bank intended to take a stake in it.

## Frankfurt

The market posted a modest gain, torn between hopes for good corporate earnings and uncertainty about interest and currency rates. The Commerzbank index finished on Friday at 1,660.2, up 5.5 points on the week. Volume on the eight West German exchanges totaled 19.46 billion Deutsche marks, against 17.14 billion the prior week.

Steel issues were popular because of increased orders. Hoescht jumped 11.70 DM, to finish the week at 238.70. Thyssen rose 9.30, to 233, and Mannesmann added 3.20, to 229.

Autos weakened, especially Daimler-Benz, which dropped 14, to 659.

## Hong Kong

Better-than-expected earnings results announced by several major companies revitalized the Hong Kong stock market. The Hang Seng index jumped 90.13 points, ending the week at 3,136.94, while the Hong Kong Index gained 62.82 points, to 2,075.28.

Average daily volume rose to 1.86 billion Hong Kong dollars from 1.33 billion dollars the week before.

On Wednesday, Hong Kong & Shanghai Banking Corp. sparked a

buying spree when it said its 1988 net profit rose 20 percent.

## London

Prices fell last week after a sharp drop Friday erased earlier gains. The 39.5-point fall in the financial Times 100-stock index on Friday was caused by the publication of inflationary U.S. producer price figures, and it left the gauge down 12.1 points for the week, at 2,073.1.

The British budget presented Tuesday was greeted with approval by the market. Nevertheless, announcement of an increase in average earnings for January and an upward revision of the British unit labor cost figures reawakened inflation fears.

## Milan

Milan stocks recovered a large part of the ground lost since the start of the year. The Comit index jumped nearly 3 percent, finishing the week at 598.73 against 582.51 the previous Friday. The MIB index rose to 1,010 from 982.

Volume rose to 174 billion lire a day, up from 125 billion the previous week.

Bank stocks started, with Comit, Credito Italiano and Banco di Roma performing particularly well. Banca dell'Agricoltura was also higher. Among other leading issues, Generali was up 3.31 percent, Fiat 1.23, Montedison 2.28, and Olivetti 0.96 percent.

Analysts said a large part of the new optimism was due to a feeling that the government would really improve public financing by reducing spending.

## Paris

Stocks rose moderately on the week, as the CAC index finished at

446.5 on Friday against 439.4 a week earlier, but the mood turned pessimistic on a selling wave Friday afternoon on news of a 1 percent jump in U.S. wholesale prices in February.

Analysts said the Bourse was in a good mood prior to the announcement, despite exceptionally low volume, but the U.S. report immediately led to some stock dumping in the face of anticipated higher American interest rates to deal with inflationary pressures.

## Singapore

The Straits Times Industrial Index rose to a record and volume was at an all-time high.

The industrial gauge rose 32.67 points for the week, closing at 1,187.53 on Friday. That surpassed the previous record of 1,177.87 on August 17, 1988. The SES all-share index rose 7.47 points, to 319.7.

Weekly volume jumped 84 percent, to 474.7 million shares, with value rising 95 percent, to 903.4 million Singapore dollars.

Property shares were the most sought after, with warrants also attracting buying.

## Tokyo

Share prices rebounded, reversing a two-week decline, as investors

shrugged off fears of inflation and rising oil prices toward the end of the week.

The key market indicator, the Nikkei Stock Average of 225 blue chips, closed the week Friday at 32,021.01 yen, up 319.23 from a week earlier. That compared with a 298.32-yen loss the previous week.

The Tokyo Stock Price Index of all common stocks listed on the market's first section chalked up an 11.35-point gain to finish the week at 2,419.59 points. It lost 31.66 the previous week.

Prices rose sharply Wednesday as the Nikkei advanced 376.17 yen, marking the second-biggest single-day advance this year, after a 468.85 yen rise on Jan. 9.

## Zurich

Zurich stocks rose slightly last week, though bank issues were weak, operators said. The Credit Suisse index finished at 558.7 on Friday, against 555.1 the week before, and the Swiss Bank Corp. indicator at 588.7 against 586.5. Volume was low.

Bank stocks were weak following statements by some bankers on the need for reforming the system.

Union Bank of Switzerland was off 50, to 3,150 Swiss francs. Swiss Bank Corp. fell 6, to 320, and Swiss Popular Bank 15, to 1,690.

## Seoul Dealers Frustrated By Maze of Market Rules

SEOUL — For a few hectic hours each morning, the dapper young dealers at a foreign bank in Seoul operate a battery of the latest trading consoles, then the screens and telephones suddenly go quiet. "It's sheer frustration," said Lee Hong Koo, a foreign-exchange dealer at Bank of America's Seoul branch. "We're boxed in by so many rules. And the weak infrastructure makes our job like playing poker — one big gamble."

The stakes are high for foreign and local bankers, who for years have been betting that South Korea's fledgling foreign-exchange market will be the next frontier for making profits in the region.

"In five years' time the Korean foreign-exchange market will easily be second in Asia, trailing only Japan," said Lee Doo Hyung, a Bank of America dealer.

Mr. Lee and other bankers are aware however that, until the South Korean won is freely convertible, their dealing rooms will remain quiet.

"Of the financial markets here, foreign exchange is the most isolated as the won is not freely tradable overseas," said Paul Ratcliffe, corporate banking manager at Barclays Bank here.

Hopes for full convertibility rose last November when Seoul signed up as an Article 8 member of the International Monetary Fund.

Signatories to Article Eight must lift foreign-exchange controls on international transactions and abolish discriminatory practices affecting capital movements.

Earlier this year, Finance Minister Lee Kyo Sung told the government that, with South Korea's buoyant currency expected to continue firming against the U.S. dollar, "internationalizing the won" was an unavoidable reality.

## NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

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## Wall Street Review

NYSE Most Active

AMEX Most Active

NYSE Sales

AMEX Sales

NYSE Diaries

AMEX Diaries

NYSE Diaries

AMEX Diaries

NYSE Diaries

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## Chicago Exchange Options

Figures as of close of trading Friday.

March 17

Option & price			Call	Puts	Option & price			Call	Puts	Option & price			Call	Puts		
Land Mar 45	Apr	Mar	Apr	r	1	31% Outlook	35	r	4	r	4	GM 85%	70	120	s	
Alcoa 55	46	2%	r	3%	2	Chrysler	25	r	7	r	9-16	82%	72	85	r	1-16
Alum 55	r	6%	r	1-16	16	Chrysler	25	r	15-17	r	1-16	82%	85	1-16	1-16	1-16
Amgen 55	r	4%	r	4%	4%	Chrysler	25	r	15-17	r	1-16	82%	85	1-16	1-16	1-16
Amgen 55	r	4%	r	4%	4%	Chrysler	25	r	15-17	r	1-16	82%	85	1-16	1-16	1-16
Amgen 55	r	4%	r	4%	4%	Chrysler	25	r	15-17	r	1-16	82%	85	1-16	1-16	1-16
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## MONDAY SPORTS

## SCOREBOARD

## BASKETBALL

## NCAA Results, Schedule

WEST REGIONAL	
First Round	March 16
Arizona 84, Robert Morris 48	
Clemson 84, St. Mary's 61	
Nevada-Las Vegas 44, Idaho 36	
DePaul 66, Memphis State 43	
In Tucson, Arizona	
March 17	
Evansville 94, Oregon State 70, OT	
Saint Mary's 84, Southern Illinois State 51	
Indiana 90, Georgia 83	
Texas-El Paso 85, Louisiana State 74	
Second Round	March 18
In Boise, Idaho	
March 19	
Nevada-Las Vegas 85, DePaul 70	
Arizona 74, Clemson 48	
In Tucson, Arizona	
March 20	
Saint Mary's 77-4, Evansville 75-5	
Texas-El Paso 75-5, Indiana 70-7	
Semifinals	March 21
In Denver	
March 22	
Arizona 79-73, Nevada-Las Vegas 78-7	
Saint Mary's 84, Indiana 77-7	
Final	March 23
Regional semifinal winners	
THE FINAL FOUR	March 24
In Seattle	
Semifinals	March 25
Final	March 26
Regional semifinal winners	
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Regional semifinal winners	
THE FINAL FOUR	February 29
In Seattle	



## MONDAY SPORTS

## Georgetown Rolls Into NCAA Regional Semifinals



Sean Elliott, who scored 25 points, had Clemson's Elden Campbell, center, and David Young guarding each other as the all-America passed off. Arizona broke away to a 94-68 victory in the West.

## EAST: Notre Dame Is Overtaken, 81-74

**The Associated Press**  
PROVIDENCE, Rhode Island — Charles Smith scored 28 of his 34 points in the second half as Georgetown beat Notre Dame, 81-74, Sunday to advance to the East Regional semifinals of the NCAA basketball tournament.

Georgetown entered the tournament as one of the favorites to gain the national semifinals in Seattle, where they won their last college title in 1984. They won the Big East tournament with an average winning margin of 20.6 points.

The Hoyas trailed by as much as seven points, at 34-27, before closing to 36-26 by halftime on a three-point shot by Smith at the buzzer.

The Fighting Irish took their last lead, 57-56, on two free throws by Damon Sweet with 10:06 to play.

Alonso Mourning, who finished with 17 points, made a three-point play 29 seconds later, and the Hoyas took the lead for good.

Smith, the Big East player of the year, made eight of nine shots in the second half and finished with six assists and three steals. Those numbers were far better than his 2-for-12 shooting performance on Friday, when the Hoyas struggled to hold off Princeton, 50-49, in what would have been a major upset.

"I had never seen him play the way he played for a game and a half," said the Georgetown coach, John Thompson. "I never understood about the phenom rising out of the ashes, but when I saw that look in his eyes in the second half I said 'He's back. Thank God.'"

Smith had made consecutive three-pointers to give the Hoyas their first lead of the second half, at 46-44, and he scored seven points while Mourning had five, in a 13-7 run that gave the Hoyas a 75-66 lead with 1:09 left.

The Fighting Irish did not score for 4:04 while the Hoyas scored the final eight points of that run. Georgetown then made five of seven free throws in the final minute.

LaPhonso Ellis, who was forced to sit out the final eight minutes of the first half with two fouls, led the Fighting Irish with 18 points while Joe Fredrick added 16.

**In second-round games Saturday in Greensboro, North Carolina:**  
Duke 70, West Virginia 63; Danny Ferry scored 20 points, and freshman Christian Laettner added 12 of his 14 in the second half for the Blue Devils.

When the Mountaineers pulled to 62-61 on a three-pointer by Herb Brooks with 3:01 left, Laettner scored on a lay-up and Ferry made two free throws with 1:58 to play for a 66-61 Duke advantage.

Duke took a 67-63 lead with 34 seconds to play when Phil Henderson made one of two free throws with 34 seconds left.

Minnesota 80, Siena 67: Willie Burton scored 19 points as the Gophers ended the Saints' hopes of being the surprise team of the tournament.

A jumper by Kevin Lynch with 8:27 left gave Minnesota the lead for good at 58-57. The Gophers then opened up the game with a 14-1 run.

Minnesota went up by 12 in the first six minutes of the second half, but Siena took the lead at 55-54 on Jeff Robinson's three-pointer with 9:41 left.

**In first-round games Friday in Providence:**  
Georgetown 59, Princeton 49: A free throw by Mourning with 23 seconds to play gave the Hoyas the lead, and he then blocked two shots in the last six seconds to prevent the upset.

Princeton had two final chances to win, but Mourning, who had tied the game at 49 on two free throws with 1:41 to go, blocked a three-point attempt by Bob Scarbis with six seconds left, then Kit Mueller's shot with a second left.

Notre Dame 81, Vanderbilt 65: Joe Fredrick scored 20 points and LaPhonso Ellis got 17 as the Fighting Irish pulled away in the second half. Notre Dame saw its lead cut to 40-36 with 16:49 left, but then went on a 21-6 run that made it 61-42 with 9:10 to go.

**MIDWEST: Missouri Stops Texas, 108-89**  
**The Associated Press**  
DALLAS — Dong Smith scored a career-high 32 points as Missouri triumphed over Texas, 108-89, Sunday to move into the Midwest Regional semifinals.

It was the first time since 1982 that the Tigers advanced into the regional championship round. The Longhorns led briefly, 25-20, but the Tigers dominated in rebounds and defense. They also were helped by Lee Coward, who had three of his three-point shots in the second half.

Missouri led 51-41 by halftime, powered by 16 points from Smith. In the second half, the Longhorns trailed by as little as six points.

But Missouri pulled away in the final 10 minutes on baskets by Smith and reserve Greg Church, who had 14 points.

**In second-round games on Saturday in Indianapolis:**  
Illinois 72, Ball State 60: Illinois, led by Nick Anderson with 24 points, forced Ball State to make 12 of its 17 turnovers in the first half, eight coming on steals by the Illini.

Four more Cardinal errors in the first four minutes of the second half helped the Illini to the first of three 15-point leads, their biggest of the game.

A final comeback attempt ended midway through the second half with an 8-2 Illinois run after Ball State had closed to six.

Louisville 93, Arkansas 84: Kenny Payne scored eight points in a 12-0 run that gave the Cardinals a 64-48 lead early in the second half. Baskets by Felton Spencer and Pervis Ellison gave Louisville its biggest lead, 68-50, moments later. Todd Day, who led Arkansas with 20 points, then started a 10-2 run that pulled the Razorbacks to 81-75 with 4:53 to play.

Arkansas missed three chances to pull closer before Louisville went on a six-point run.

**In first-round games Friday in Dallas:**  
Colorado State 68, Florida 46: Joel Triebelhorn scored 20 points, making four three-point shots, as the Rams controlled the tempo and held the Gators to their lowest point total of the season.

The Rams widened their 31-22 halftime advantage in the opening minutes of the second half, with Trent Shippen and Triebelhorn sinking consecutive three-pointers to extend the score to 39-26.

Texas 76, Georgia Tech 70: Travis Mays, who made five three-point shots, scored 23 points as the Longhorns held on to their 43-33 halftime lead.

The Yellow Jackets cut the Texas advantage to three points in the second half, but Joe Wright and Alvin Higgs, who each had 17 points, helped keep the Longhorns in front.

Missouri 85, Creighton 69: Byron Irvin scored 25 points as the Tigers, trailing by 39-37 at halftime, took the lead for good at 51-50 with 16:25 to play on a basket by Gary Leonard.

## SOUTHEAST: Michigan Downs South Alabama, 91-82

**The Associated Press**  
ATLANTA — Glen Rice scored 36 points, and Terry Mills had 24, as Michigan defeated South Alabama, 91-82, Sunday to move into the Southeast Regional semifinals.

Mills broke an 80-80 tie with 2:17 left with a three-point play, and Rice followed 45 seconds later with a three-point basket.

Demetrius Calip then made a free throw and Mills got two more to make it 89-80 and put the game out of reach with 38 seconds left.

The Jaguars, who on Friday beat Alabama, 86-84, led 57-51 four minutes into the second half before Rice and Mills led a Wolverine rally that produced a tie at 67 with under 12 minutes to play.

**In second-round games on Saturday in Nashville, Tennessee:**  
Oklahoma 124, Louisiana Tech 81: Mookie Blaylock scored 34 points and Stacey King had 21, plus 15 rebounds, as the Sooners set a tournament record for points.

They outscored the mark of 123 North Carolina set against Loyola-Charmoy last season.

The Sooners stretched their lead to 24 points by halftime and Louisiana Tech got no closer in the second half.

Virginia 104, Middle Tennessee 88: Richard Morgan scored 33 points and Bryant Smith got 26 as the Cavaliers, who led by 49-39 at the half, dominated the rest of the game.

Jim Crotty scored 25 points for Virginia, making three key baskets when Virginia outscored the Blue Raiders by 15-7 in the last 4:55.

**In first-round games Friday in Atlanta:**  
UCLA 84, Iowa State 74: Poch Richardson had 19 points and keyed a 10-0 run in the second half with two baskets and an assist to put the Bruins back on top after the Cyclones had taken a 60-59 lead with 8:14 left.

Richardson scored on two fast-break lay-ups and capped the run when he fed Charles Roehlein for another lay-up and a 69-60 lead with 6:10 left.

Iowa State scored six straight points to close to three, but Trevor Wilson of UCLA made two free throws and Richardson sank a three-point shot for a 74-66 lead with 2:53 left.

North Carolina 93, Southern University 79: The Tar heels trailed by 10 points with less than seven minutes gone in the game before J.R. Reid and Kevin Madden sparked a comeback. Madden and Reid each scored eight points in 33-11 run that put their team ahead for good.

The Jaguars had used four consecutive three-point baskets, three by Bobby Phila, to take a 21-11 lead over the heavily favored Tar Heels.

But Reid, North Carolina's leading scorer, was suspended for Sunday's game against UCLA for violating curfew Friday night.

"We have very few rules on our basketball team, and all of our rules are made by our seniors," said the coach, Dean Smith.

**WEST: Seton Hall Halts Rally by Evansville to Win, 87-73**  
**The Associated Press**  
TUCSON, Arizona — A three-point shot by Andrew Gaze, followed by a lay-up by Gerald Greene, capped the late scoring and helped Seton Hall hold off Evansville, 87-73, Sunday and gain a berth at the West Regional semifinals.

The Pirates held Evansville scoreless for the last 5:06 after the Aces pulled to 74-73 on a 13-point run. Gaze's three-pointer made it 77-73, and Greene's lay-up put the game away.

Read Crafton keyed the 34-minute scoring run that got Evansville back into the game after Seton Hall started the second half on an 11-point run for a 60-41 lead.

With the score 74-60, Scott Haffner of Evansville made a lay-up and Crafton hit a three-pointer, then forced a steal to set up a three-pointer by Haffner. Crafton then hit his second three-pointer in the sequence, stole the ball again, and made two free throws at 5:06.

Evansville defeated Oregon State, 94-90, in overtime on Friday.

**In second-round games on Saturday in Boise, Idaho:**  
Arizona 94, Clemson 68: Sean Elliott scored 25 points as Arizona took control in the first half.

The Tigers led, 25-23, on Ricky Jones' 19-foot (5.8-meter) jump shot with 10:11 to play in the first half. Arizona scored the next 16 points to take a 39-25 lead on Matt Muehlebach's steal and lay-up with 4:39 to play.

The Tigers finally scored when Derrick Forrest sank two free throws with 1:49 left in the half.

Clemson had committed 13 turnovers during Arizona's 16-0 run.

After trailing by nine at halftime, the Tigers came out strong. Two three-point shots by Forrest and a dunk by Eldon Campbell pulled them to 49-45 with 16:06 to play. Muehlebach hit two three-pointers and Elliott scored on a drive to boost the lead back to 57-45.

Nevada-Las Vegas 85, DePaul 70: David Butler scored 23 points as the Runnin' Rebels broke open a close game with a 12-0 run early in the second half.

Butler had four of his points during the 12-0 spurt that snapped a tie at 44 with 18 minutes to play and put the Runnin' Rebels ahead for the rest of the game.

**In first-round games Friday in Tucson:**  
Indiana 99, George Mason 85:

## With a Season Ended, Only the Irish Grieve

By Bob Donahue  
International Herald Tribune

PARIS — An era is dead, long live the new era! Nobody said that in 90 many words this past rugby weekend, but such is the mind-set in Europe at the end of its most promising winter of the 1980s.

In one happy respect the decade has been Scotland's. Five Nations matches involving Scotland have produced the

## FIVE NATIONS RUGBY

most tries. "Rugby is about trying to enjoy yourselves," Finlay Calder, the Scottish captain, reminded reporters in Paris late Saturday night. That sort of positive attitude has made Scotland's matches the best to watch.

Yet it had been France's day. The French can now retire some of their veterans and rebuild on a platform of sustained prestige. Victory over Scotland, 19-3, gave France the Five Nations title for the fourth straight year — a feat that England, Scotland, Ireland and Wales have never managed. (The French also did it from 1959 to 1962.)

The Welsh, with their 12-9 upset of England in Cardiff on Saturday, kept the English out of first place and left France in. So at last the young Welsh team has a success to build on.

The Scots, also a young team, finished with 75 points, just one less than France. (England totaled 48, Ireland 64 and Wales 44.) They drew with England at Twickenham and scored five tries against Ireland. They know they should be a force

to reckon with at the 1991 World Cup. The English, not yet as good as they sometimes thought, did whip France at Twickenham, 11-0. And all they needed was a single try in Cardiff to finish alone in first place. An imposing pack of forwards will expect even better results next year if back play matures.

Only the Irish have cause to grieve. They have allowed 26 tries and scored only 10 in the last two tournaments. Still, they were good enough to give France a scare in Dublin in January, beat Wales in Cardiff in February and lead Scotland at halftime in Edinburgh in March.

France finished with three victories, ahead of Scotland and England with two and a draw each. Ireland and Wales finished last with a victory each.

While rain helped darken Saturday's fanatical battle in Cardiff, the sun shone in Paris on "a cracker of a match," as Tom Pearson, Scotland's president, put it.

The early pressure was Scottish as Calder, fellow flanker John Jeffrey and No. 8 Derek White outplayed France's loose forwards. When France lost the ball in a scrum near the Scottish line at the start of the second quarter and the Scots kicked their way upfield to the French end, a Scottish victory seemed to be in the air. Peter Dods slotted a penalty goal and the French were indeed behind.

But those were Scotland's last points. The French scored tries just before and after halftime, then a penalty goal and a third try for good measure. (See Scoreboard.) The explanation, hidden from easy view, was in the scrums.

half. Flyhalf Paul Turner chose Rory Underwood, England's right wing, as target for a towering punt. Underwood bobbled, then eventually sent a pass to fullback Jon Webb that was yards wide. Mike Hall, a Welsh center, got the touch-down in a furious melee.

Was it a simple mistake or something more significant — Underwood drained by the pressure, by the realization that the old, old story was being retold?

The try made it 12-9, and there was no way the size and strength of the English could pull them back. They simply did not have the morale.

The final quarter was a denial of all that the English have been trying to achieve. They were desperate to raise the Welsh siege but resorted to a series of doomed back movements in which basic skills were lacking and panic was visible.

After the match, the warring parties of the four British Isles tribes began a final round of meetings to select the Lions squad to tour Australia in June and July. The names are to be announced in London on Wednesday. The two defeated teams of Saturday probably will provide at least two-thirds of the 30 players, with Finlay Calder of Scotland as captain.



Philippe Sella, who set up France's third try, broke away from the Scots, including captain Finlay Calder, right.

Told that his team had looked menacing, Calder replied that in fact it was "on the ropes" in the first half. Finally, it was from a scrum that Pierre Barthez, the French scrumhalf and captain, ran for the try that put France ahead for good.

Serge Blanco's 27th career try was his fourth in this year's tournament — as many as all of England's players managed among them.

The third try, scored by Patrice Legat on a pass from Marc Andrieu, was launched by Philippe Sella, leaping to field a high punt from Franck Mesnel.

The Scots gamely ran at the French in the last quarter, eschewing half a dozen chances to attempt penalty goals. That will need to be noted when this 16-point margin is recalled as France's second biggest against Scotland of all time.

Scotland still hasn't won in Paris since 1969. Eleven home victories in Edinburgh and Paris — starting in 1979 — make the longest such string in any Five Nations series. And France has now won 15 straight Five Nations matches at home, equalling the great Welsh string in Cardiff from 1975 to 1982.

The English will come to Paris next February. By then, the world's top two active rugby powers (South Africa is inactive) will have faced each other when the French tour New Zealand in June. Calder wished the French well: "You are the best-equipped side to take the Kiwis on."

## Ito Soars to Perfection, Wins Japan's First Title

**The Associated Press**  
PARIS — Midori Ito of Japan won the women's World Figure Skating championship Saturday with a performance that awed not only the judges but the other skaters.

Ito performed the first triple axel by a woman in a major international competition, broke two records and took the heart out of her rivals with a dazzling display of jumping as she became Japan's first figure skating champion.

She skated a flawless routine that earned her five perfect marks of 6.0 for technical merit.

"I had no pressure on me," Ito said after winning a showdown with Claudia Leistner of West Germany and Jill Trenary, the American champion, who both made crucial mistakes. "I think I skated 100 percent."

Trenary was in the lead going into Saturday's free skating, which counted for 50 percent of the total mark.

"It was not a matter of gaining gold, silver or bronze," she said. "I just wanted to skate well. There was no doubt in my mind that Ito would do it. She's an excellent free skater. But I let my nerves get to me more than ever before."

Trenary also allowed Leistner, the European champion, overtake her for the silver medal.

Fifty seconds into her routine, she performed her triple axel, landing almost perfectly.

It was the perfect finale to the five-day championships in which Kurt Browning of Canada won the men's gold medal ahead of Christopher Bowman of the United States.

Ekaterina Gordeeva and Sergei Grinkov of the Soviet Union won the pairs event and another Soviet couple, Marina Klimova and Sergei Ponomarenko, took the ice dance title.

Leistner, who was overtaken by Trenary in Friday's short program, fell on her first triple jump but recovered and finished strongly without any more errors.

Ito, who was third going into the free skating portion, followed with her spectacular performance.

Trenary then needed a strong display to beat Leistner and a perfect one to stand a remote chance of catching Ito. But she failed on most of her triple jumps, and lost her way in a performance that lacked confidence.

On Friday, Klimova and Ponomarenko earned their first ice dance title



Midori Ito won five perfect marks of 6.0 with her free-skating program.

with a routine that earned them six perfect marks of 6.0.

Another Soviet couple, Maia Usova and Alexander Zhulin, won the silver, while Isabelle and Paul Duchesnay of France took the bronze.

Klimova and Ponomarenko only needed to play it safe to take the gold after dominating the earlier sections of the ice dance competition.

Their light-hearted characterization of the Three Penny Opera earned them five marks of 6.0 for artistic impression and one for technical merit.



